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TO THE THIRTIETH DAY OF MARCH, 1990

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HOUSE OF COMMONS

Thursday, February 22, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

MAIN ESTIMATES, 1990–91

A message from His Excellency the Governor General transmitting Estimates for the financial year ending March 31, 1991, was presented by the Hon. Robert de Cotret and read by Mr. Speaker to the House.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to table in support of the Estimates, Part I, the Government Expenditure Plan.

I will table with the Clerk of the House on behalf of my colleagues Part III of the Estimates consisting of 73 departmental expenditure plans, with the remaining 14 to be tabled on or before March 12.

These documents will be distributed to members of the standing committees to assist in their consideration of the spending authority sought in Part II of the Estimates.

• (1110)

Mr. Boudria: Mr. Speaker, I rise on a point of order. I think you have just heard what we have all heard, that in fact the minister today is tabling the estimates in Part III of 73 out of the 87 respective divisions of the Estimates.

In 1983 the Standing Committee of Public Accounts of this House published a report which was concurred in by this House to the effect that Part IIIs were going to be produced for all relevant departments.

Today we are told by the minister that the rules we have established by this House for the tabling of the Estimates have not been followed. He is informing us that 14 of those departments will not have Part IIIs tabled today.

We have just ended a briefing session this morning in a lock-up type format. Until such time as the Estimates were tabled, I was not free to rise on this point of order and to inform the Chair of this shortcoming and this failure on the part of the government to live within the rules.

This morning in this lock-up we asked why the rules of the House have not been followed. The explanation given to hon. members who participated in the lock-up was that the government was aware it intended to make what it considered to be important changes in the area of the Estimates for those 14 departments and it took a conscious decision not to print the Part IIIs.

Mr. Speaker, I submit to you that the rules of this House, which we have made for ourselves and for the government to follow, are not suggestions. We do not decide that the government is going to follow the rules if it is convenient for the government. The rules are that the Estimates are tabled, Part I, Part II the expenditure plan, and Part III which are the detailed expenditures of each respective department. Those rules are to be observed by the government.

This is not a mere decision that was made by someone at some point in time. This was a decision of the House. It was a report of the standing committee adopted by the House, and since then the Estimates have been printed that way.

Furthermore, the report in question made to this House by the committee of public accounts was made pursuant to a recommendation of the Auditor General who is responsible to you, Sir, as the custodian of our rights in this House.

Mr. Speaker, I submit to you that the government has failed to live within the rules. Of course we cannot prevent the government from tabling the documents in question for the mere fact that I could not rise in this House and state that the documents were incomplete. I

was privy to an *in camera* decision this morning and I could only do so afterward.

Had I been able without breaking my oath of secrecy, I would have risen on this point of order before the tabling of the documents in question, and I would have prevented them or submitted to the Chair that the documents should not have been tabled. Because that would have been a breach of the secrecy by which I was bound until the documents were tabled, obviously I could not do so.

I make the case to the Speaker now that what has happened over the last few minutes in this House is not proper and is not in accordance with the rules.

Some members across the way do not like the submission I am making to the Chair. It is not a matter of liking or disliking. It is a matter of following the rules that we have set forth for ourselves. If we decide collectively in the future that we want to change those rules, that we want to abandon having Part IIIs of the Estimates, I would resist that, but if the House decides that in its collective wisdom I will have to live with the decision that was made. Until such time as this House changes the rules, the government has to obey the rules that were made.

Mr. Speaker, you are the custodian of our rights in this House. I make the submission to you, that the government has failed to observe the rules that we have made. An hon. member across the way asks what I want. It is not a matter of what I want, it is a matter of what is right and what has to be done in accordance with the rules that we have set for ourselves.

Mr. Angus: Mr. Speaker, I want to speak to the point of order very briefly. My hon. colleague has made a very articulate presentation with regard to the decisions that this House has taken, and the fact that the document tabled just a few moments ago did not conform to that.

I would ask that Your Honour review the particular instances cited by the member, and at some point report back to the House as to whether or not the government, in fact, has violated the rules of the House and issue whatever appropriate instructions you may find to the government to ensure that if indeed it has broken the rules of the House by not tabling all of Part III, there be some process put into place to ensure that next year the government not be allowed to get away with only tabling part of the Estimates.

Mr. Cooper: Mr. Speaker, I would like to intervene for a couple of moments on this point of order. It is my belief that the government has in fact fulfilled the rules of the House. What the rules of the House require in the tabling of the Estimates is that Part IIs be tabled which we have of course complied with.

I also wish to inform the House that it is not our intention not to proceed with the Part IIIs. They will be printed at a later date and will be in the hands of the members on or before March 12.

We believe that we have been consistent with the rules in tabling what we have tabled today and do not think that in any way have we violated the process.

Mr. Speaker: I am going to consider the point raised by the hon. member for Glengarry—Prescott—Russell and joined in by the member from Thunder Bay—Atikokan. I will also, of course, take into account the comments of the parliamentary secretary. I shall return to the House at an appropriate time and remark on the issue that has been raised.

At the moment, I do not think that I have any authority to stop the government from tabling those parts which they are doing. As a consequence, whatever the rights or wrongs of this point may be, can be settled later. We do have to proceed with the tabling as it is. As I say, I will come back to the House with my comments at an appropriate time.

Mr. McCurdy: Mr. Speaker, I do not wish to prolong this, although I would be inclined to because I just had the same frustrating experience as my colleague from the Liberal side. I think I heard the parliamentary secretary indicate that the departmental Estimates will be available by March 12. The rules specifically say that they should be available by March 1.

Mr. Speaker: I hesitate to interrupt an hon. member rising on an important matter but the point of order has been made. I have indicated that I will give it very careful consideration and report back to the House. If the hon. member has another point of order, of course I will hear him. Is it another matter?

Mr. McCurdy: I want to point out that the parliamentary secretary stood in his place and indicated that the departmental Estimates would be available by March 12. I just want to indicate to the Speaker that under Standing Order 81(4), the rules require that those be available by March 1, not March 12. If the parliamentary

secretary is indicating a promise to break the rules then that is a serious breach of the orders of this House.

• (1120)

Mr. Speaker: I should point out that the Estimates have now been tabled. The information documents are the ones that are still waiting. I will take into account the hon. member's intervention and consider that also.

Mr. Boudria: On a further point of order, Mr. Speaker.

Mr. Speaker: I ask the hon. member if this is a different point of order.

Mr. Boudria: Yes, Mr. Speaker.

Mr. Speaker: Yes, of course I will hear it.

Mr. Boudria: Mr. Speaker, a few moments ago the Minister of Justice said that we are going to see what happens to government bills in the Senate. The reference made was that somehow the actions of the government today are related to an action in the other place.

Some hon. members: Oh, oh!

Mr. Speaker: The hon. minister.

REFERENCE TO STANDING COMMITTEES

Mr. de Cotret: Mr. Speaker, I would like to move, pursuant to the provisions of Standing Order 81(4) and Standing Order 81(6):

> That the Main Estimates for the fiscal year ending March 31, 1991, laid upon the table earlier this day be referred to the several standing committees of the House as follows:

Since there is a detailed allocation of the Estimates to various committees and the list is lengthy, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

Mr. Speaker: The House has heard the motion of the hon. minister. Is it agreed?

Some hon. members: Agreed.

Motion agreed to.

[*Editor's note: List referred to above is as follows*:]

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 1, 5, 10, 15, L20 and L25.

To the Standing Committee on Agriculture

Agriculture, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45.

To the Standing Committee on Communications and Culture

Communications, Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 70, 75 and 80.

Secretary of State Votes 1, 5, 30 and 35.

To the Standing Committee on Multiculturalism and Citizenship

Secretary of State, Votes 15 and 20.

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Consumer and Corporate Affairs, Votes 1, 5, 10, 15, 20, 25, 30 and 35.

Finance, Vote 30.

Governor General, Vote 1.

Industry, Science and Technology, Votes 90, 95 and 100.

Parliament, Vote 1.

Privy Council, Votes 1, 5 and 35.

Publics Works, Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40.

Secretary of State, Votes 10 and 25.

Supply and Services, Votes 1, 5 and 10.

Treasury Board, Votes 1, 3, 5, 10, 15, 20 and 25.

To the Standing Committee on Privileges and Elections

Privy Council, Vote 15.

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 1, 5, 10, L15, L20, 25, 30, 35 and 40.

To the Standing Committee on Environment

Environment, Votes 1, 5, 10, 15, 20, 25 and 30.

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1, 5, 10, 15, 20, 25, 30, 35, L40, L45, 50, 55, 60 and 65.

To the Standing Committee on Finance

Finance Votes 1, L5, L9, 10, 20 and 30.

National Revenue, Votes 1, 5, 10 and 15.

Privy Council, Vote 25.

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Votes 1, 5 and 10.

Forestry, Votes 1, 5 and 10.

To the Standing Committee on Human Rights and the Status of Disabled Persons

Justice, Vote 10.

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1, 5, 15, 20, 25, 30, 35, 40 and 45.

Privy Council, Vote 40.

Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40.

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1, 5, 10, 15, 20 and 30.

Labour, Votes 1, 5, 10 and 15.

To the Standing Committee on Management and Members' Services

Parliament, Votes 5 and 10.

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 1, 5, 10, 15 and 20.

Veterans Affairs, Votes 1, 5, 10, 15 and 20.

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

Employment and Immigration, Votes 25 and 35.

National Health and Welfare, Votes 1, 5, 10, 15, 20, 25, 30 and 35.

To the Standing Committee on Public Accounts

Finance, Vote 15.

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Atlantic Canada Opportunities Agency, Votes 1, 5, L10 and 15.

Indian Affairs and Northern Development, Votes 30, 35, 40, 45 and 50.

Industry, Science and Technology, Votes 1, 5, L10, L15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80 and 85.

Western Economic Diversification, Votes 1 and 5.

To the Standing Committee on Transport

Privy Council, Votes 10 and 30.

Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70 and 75.

That the Privy Council Vote 20 be deferred to the Standing Joint Committee on Official Languages.

That a message be sent to the Senate to acquaint Their Honours thereof.

* * *

[*Translation*]

1990–91 MAIN ESTIMATES

STATEMENT OF PRESIDENT OF TREASURY BOARD

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have just tabled the government's Main Estimates for the 1990–91 fiscal year. It is the fifth time I have had the privilege of doing so as President of the Treasury Board, and each time, I have been able to point to new ways in which the government has improved the management of its resources on behalf of Canadians. I am proud of the continuing progress we have made, Mr. Speaker. It is no accident that today, our federal administration is leaner and more efficient.

Mr. Speaker, five years ago, the government proposed a plan to Canadians. The Prime Minister promised Canadians better management of the economy and better management of government operations. I will now tell you what this plan has accomplished so far and how we intend to pursue its goals in the future. At the time, our country had just experienced a painful recession from which no region emerged unscathed. The economy was unstable and federal spending was out of control. To manage the economy, we first had to make substantial improvements in the management of government operations. We knew the government should be more receptive and more accountable to Canadians whose taxes are used to finance federal programs.

We had to make some choices that were at times very difficult, to be able to control spending. We made those choices while respecting the basic values of Canadians. We followed the strategy outlined in November 1984 by my colleague, the Minister of Finance (Mr. Wilson) in his Agenda for Economic Renewal and in my government programs and spending review program. The spending cuts announced at the time were a first step towards putting the Canadian government's financial house in order.

[*English*]

I said then that we had to take a pragmatic and considered approach to reducing government expenditures and that we had to exercise the discipline necessary to ensure sound financial planning. These were the ingredients needed in the 1980s to manage the economy and to manage the government. They are as essential in the 1990s.

Our plan committed us to a program of economic renewal and management reform and we set out four challenges: First, to put our own fiscal house in order so that we could limit, and ultimately reverse, the massive build-up in public debt and the damaging impact of that debt on public confidence and economic growth. Second, to redefine the role of government so that government could expedite growth and job creation rather than being an obstacle to change and innovation. Third, to adopt policies that foster higher investment, greater innova-

tion, increased international competitiveness and a positive climate for growth and new enterprise by Canadians. Fourth, to bring about these changes in a way that is fair, balanced and consistent with the nation's sense of compassion, tolerance and justice.

By making expenditure control and good management the primary focus of fiscal restraint, we are meeting these challenges.

Two days ago, the Minister of Finance presented this House with our expenditure control plan. That plan, coupled with the December 15 package of management initiatives, provides fiscal savings of $19.5 billion. This saves the equivalent of over $2,500 for each and every family in Canada.

This expenditure control plan continues our steady progress towards our goal of restoring long-term stability and good management. It will be the foundation for this government's planning through the next five years.

In his statement, the Minister of Finance described how this government is managing the economy. Today, I want to talk about how we are managing the government.

I would like members to focus on the clear evidence of substantial progress that can be seen in the documents I have tabled in the House today. Part I of the Estimates presents the measures we have taken to control spending and manage the government. Part II provides details of our spending proposals to Parliament.

In 1990-91 spending on federal government programs will rise by only 3 per cent, substantially less than the rate of inflation. This is an improvement even compared to this government's very impressive record of 3.6 per cent annual increases in the five years since the 1984 election.

Let me remind members how significant this management improvement really is when compared to preceding governments.

In the five years before this government took office in 1984, program spending grew by 14.1 per cent annually. In the five years before that, program spending grew by 10 per cent annually. In the five years before that, program spending grew by 17.9 per cent annually.

[*Translation*]

I think it bears repeating, Madam Speaker, that during the next fiscal year, program spending will increase only 3 per cent.

One of our major objectives is to provide for sound management. To do so, we must strive towards leaner and more efficient government operations.

Thanks to the Expenditure Control Plan, we will be able to save $19.5 billion during the period in question. However, it meant making some difficult decisions, some of which were announced in December 15 last year when I announced in the House a set of austerity measures that would save a total of $1.4 billion over the next three years.

In 1990-91, program spending will represent only 15.7 per cent of GDP. Compare this to 16 per cent for this year and 19.5 per cent in 1984-85! Madam Speaker, it will be the lowest it has been in 20 years.

• (1130)

[*English*]

A key indicator of how well this government is doing is the change that we have achieved in the operating balance.

The operating balance compares the cost of government programs with government revenues. When program costs exceed revenues the result is an operating deficit. Borrowing is needed to make up the shortfall. More borrowing is then needed to pay the interest leading to an upward borrowing spiral.

This is like a family borrowing to pay for necessities, and borrowing more and more to make interest payments on a growing debt.

The situation in 1984 was severe. So much so, that we inherited a $15.9 billion operating deficit. Put another way, the federal government at that time was borrowing more than $2,000 per Canadian family each year just to pay for its programs.

The government of the day was digging a hole which was ever deeper and ever more difficult for future governments to repair, one that was saddling future generations of Canadians with crippling debt.

There is no more telling evidence of the progress this government has made than the way in which we have turned that operating balance. We have gone from an operating deficit of $15.9 billion to a surplus this year of $9 billion. In 1991, we expect that operating surplus to grow to $12.6 billion, a turnaround since 1984 of $28.5 billion.

[*Translation*]

Madam Speaker, we are keeping our promise to improve the way the machinery of government is managed. These improvements do not make headlines but they result in large savings for Canadians. You will find the highlights in Part I of the Estimates and I trust that all hon. members will take the time to read the document because it gives evidence of evidence of better, more efficient management.

We have implemented better cash flow management methods. These alone have saved Canadian taxpayers more than $900 million since 1985.

Some hon. members: Hear, hear.

Mr. de Cotret: We have adopted a better way to manage the government's real estate holdings.

Since 1985, sales of surplus properties have yielded $400 million, generating revenues of $200 million and resulting in more productive use of real estate worth an additional $200 million. This is due to joint projects with the private sector and other governments.

The cost recovery program that we instituted contributes to greater revenue equity. We wanted users and other direct beneficiaries of government services to pay their share of the costs involved in these services.

Revenues from cost recovery should amount to $3 billion in 1990–91, almost twice the $1.6 billion they were in 1984–85.

We also sold all or part of 18 Crown corporations which more appropriately belong in the private sector. Since 1984, the personnel of Crown corporations has decreased by 75,000 as a result of privatization, productivity gains and rationalization of operations.

The government will sell its share in Telesat, will privatize Nordion and Theratronics and has also decided to offer the general public direct ownership in Petro-Canada. Furthermore, profitable Crown corporations such as the Canada Ports Corporation, Canada Post, Canadian National Railways and the Royal Canadian Mint will contribute to deficit reduction by paying dividends.

Our new method of management has enabled us to reduce departmental overhead expenses, cut down on paperwork and benefit from technological progress. We have also considerably reduced the number of regulations approved by the government in recent years.

[*English*]

I would be remiss if I did not take this occasion to comment in greater detail on managing the federal Public Service.

This federal government is no different than many other organizations in the world. We have challenged our Public Service managers to do more with less, with less money, with fewer people but with more responsibilities. I can assure this House that the management challenge is in fact being met. Let me put on record this government's performance.

We have worked to keep Public Service salaries from setting inflationary trends in the nation.

Since 1984, we have negotiated collective agreements that are fair to employees and responsible to taxpayers. Those agreements have been below private sector settlements, below, and in some case well below, provincial settlements, and below the rate of inflation.

Also, we have reduced the size of the Public Service. Since 1985, we have removed 23,542 person-years from departmental authority levels. To meet new priorities and to make sure that health, safety and security were not compromised, we have provided for some 11,000 person-years. The net result is that the Public Service is now 12,377 person-years smaller than it was in 1985–86. In fact, it is now the smallest it has been since 1973.

Some hon. members: Hear, hear!

Mr. de Cotret: Our approach to managing the size of the Public Service was based on this government's over-all plan to manage better. We are now doing things more effectively.

Over the next five years we will continue to carefully control the size of the Public Service. We will do this because we are committed to ensuring that over the medium term we maintain the balance between federal employment and total employment in the economy.

Let me say that this progress would not have been possible without a dedicated and highly professional Public Service.

Last December, the Prime Minister announced an initiative called Public Service 2000. This initiative will ensure a Public Service that can provide Canadians with the best value for their tax dollars.

In 1984, we committed ourselves to managing the economy and managing the government. Good management is not easy. It requires hard work, tough decisions and leadership. It requires a plan and the will to carry out that plan. This is what this government is doing. Our Expenditure Control Plan, in achieving this reduction, this saving of $19.5 billion, is evidence of our commitment.

We promised fiscal responsibility. This government is delivering. We promised to get the deficit under control, and we are delivering. We promised to cut expenditure growth, and we are delivering. We promised to manage government better, and we are delivering.

• (1140)

I am proud of this government's record. We have acted decisively in bringing about the kind of changes needed to ensure Canada's economic stability, and to ensure that Canadians are able to meet the challenges and opportunities that lie ahead.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, this morning, members of this House had an information session where we were told that the minister responsible, the President of the Treasury Board, would provide us some information today and some later; that the rules of this House were there and that we could follow them when it suited the minister, but when it did not suit him, we could forget about them.

Mr. Robichaud: Disrespect for the House!

[*English*]

Mr. Boudria: Here is the list in the Estimates with respect to which departments we have little or no details as to what is going on within those departments: CIDA, Communications, Consumer and Corporate Affairs, Energy Mines and Resources, Finance, Fisheries and Oceans, Health and Welfare, Indian Affairs and Northern Development, Multiculturalism, National Defence, Industry, Science and Technology, Secretary of State, Transport and Veterans Affairs.

Do you know what we know about those departments, Madam Speaker? We know that there are cuts, period. That is all we know. We do not know what programs are being cut, other than the information we received in the one or two minutes of briefing that we got at 10.55 this morning.

We do not know anything that is in the Part IIIs of the Estimates because they were not tabled this morning pursuant not only to the rules of this House, because they form part of the Estimates, but pursuant to directives that this House gave to the government when it unanimously adopted a report of the Standing Committee on Public Accounts in 1983.

Why is the government behaving this way? It says that the Estimates would have probably been wrong anyway so it was better to disobey the rules of the House. That is Tory logic for you.

If this government did not know that you needed time to print the Estimates between the date of the budget and the date of the Estimates, well then why in blazes could it not have brought in the budget a few days earlier to give it time? You would think that it is someone from outer space who came here to present the budget, totally divorced from the government. The ministers are only one seat away from each other. There is approximately one or two inches between the chair of the minister responsible for the Treasury Board and the Minister of Finance. Maybe they could speak to each other, or correspond if they are not on speaking terms.

Either way they could ensure between the two of them that they live within the rules we have adopted in this House and the rules which governments successively have followed, including this government in the past.

Now that this government is in its second term, arrogance is setting in.

Ms. Black: Setting in?

Mr. Boudria: My colleague says: "Setting in?". Maybe it was there all along, but it certainly has reached new depths as this second term is well under way.

The degree of arrogance is inversely proportionate to the popularity of the government. As of this morning, the government has a popularity of something like 19 per cent. Only the member from Madawaska could find that funny.

[*Translation*]

Mr. Robichaud: It is even lower where he comes from!

Mr. Boudria: Madam Speaker, we know that the government's reserves in the past were about $3.4 billion. This year, the government has chosen to play with the figures a little. So they decided arbitrarily that the reserves would be reduced to $2.3 billion.

This morning, my colleagues and I asked Treasury Board officials how they could live with that amount. They said that they would be very thrifty. But those are the reserves, Madam Speaker. They are used when there is a drought in the country, when there is a fisheries crisis, when, for example, there is economic hardship in Saskatchewan, when the people on the west coast have difficulties, especially those who work in the fishing industry. These scenarios are quite possible this year. What will the government do? It will not even have any more reserves.

By reducing the reserves, the government claims to be cutting expenses. Either some people will suffer a lot this year because there will be no funds in the reserves to deal with such unforeseen situations or the budget estimates presented to us today mean absolutely nothing because they will not be adhered to in any case.

[*English*]

Let us look at some of the cuts in the Estimates in detail. We have a budgetary comparison between the Estimates of last year and this year.

You will remember during the election campaign the Conservative party said that it was going to establish a separate department of forestry. Most Canadians would have thought that that meant more money was going to go into forestry. Not so. You see, you have to think like a Tory a little bit here. You create a department and take away the funds. That way you can pretend that you live with the promise while doing the exact opposite.

So what did the Tories cut from that? They have cut $47 million.

[*Translation*]

Mr. Robichaud: It was just a lot of window dressing!

Mr. Boudria: The hon. member for Beauséjour (Mr. Robichaud) says it was window dressing, and he is right.

[*English*]

The Canadian Centre for Occupational Health and Safety is a subject that has been raised in this House very eloquently by our colleague for Hamilton West. We see a cut here of $2.9 million.

Let us look at the National Capital Commission, an agency whose mandate is to make this city a better place. I remind the minister that in a previous incarnation he used to be the member for Ottawa Centre. It was a very short career that he had as the member for Ottawa Centre at that time. But he will recall in his days when he was the member for Ottawa Centre that it was his job to ensure that this city was a capital for all Canadians. Now, of course, he has changed constituencies, and the budget for the National Capital Commission is proportionately reduced.

The Secretary of State's area is one in which we see those major cuts of $5.45 million. That is one of the areas in which Parliament does not know what is going to be cut, save and except one or two lines in the budget of the Minister of Finance, the seat-mate of the President of the Treasury Board.

With respect to the Minister of State for Multiculturalism and Citizenship's department, our colleague for the Western Arctic indicated to us yesterday in this House just how wrong those kinds of cuts are. Nevertheless, the government is proceeding with those cuts in the area of $121 million.

The Western Diversification Program is being cut by $1.39 million. I say to the minister he, like I, must have seen and heard over recent weeks media reports of the terrible tragedy going on right now in the province of Saskatchewan with the loss of population and the tremendous economic losses. There is suffering going on in the province of Saskatchewan right now, and they desperately need help.

Let us turn to the cuts in the Department of Indian Affairs and Northern Development. If there is any group in this society which needs to be cut, then this group should be the last to suffer any kind of cutback.

• (1150)

I have the honour and privilege of representing a native community in the House, the Akwesasne Indian reserve, which is located partially on Cornwall Island in my riding and partially in the constituency of my colleague, the hon. member for Beauharnois—Salaberry. We see a cutback in that area of $1 million.

In the area of Energy, Mines and Resources we have been made aware of the cuts in energy conservation and other very vital programs to which the government itself says that it is committed. The hon. member for Lac-Saint-Jean often speaks eloquently of how he and his government are pretending to defend and protect our environment. Yet we are seeing these cutbacks in areas such as energy conservation, and others.

My colleague from Notre-Dame-de-Grâce has often raised questions in this House on the very important topic of Employment and Immigration.

[*Translation*]

The Canadian Jobs Strategy will suffer cuts totalling $15 million. The cuts in summer programs for young people are totally unacceptable. This year, my riding will get 10 per cent of what it received the year before, 10 per cent! A 90 per cent cut! And the same applies to Ottawa—Vanier, Carleton—Gloucester and several other ridings in the National Capital region, including Ottawa—West; a 90 per cent cut! Are young residents of the National Capital region supposed to do without summer jobs? How are they going to pay their tuition fees next fall? This is the same government that only two or three weeks ago was bragging about its strategy for keeping youth in school. I find that hard to understand, Madam Speaker.

[*English*]

In terms of National Health and Welfare, it was described to us this morning in a very summary fashion, because of the limited time, that there were going to be cuts in the alcohol and drug rehabilitation programs. That is what we were told at the Estimate briefing.

Ms. Black: At one minute to eleven!

Mr. Boudria: My hon. colleague says that that was at approximately one minute to eleven o'clock. That is the time that we were finally given the information.

We know, and it was said yesterday in this House, about how the transfers to the provinces will result in potential cuts in hospital beds. That has been made very clear. We all know how strapped the provinces are in trying to offer quality health care. With a cap on funding now from the federal government how will they do it?

In the area of Employment and Immigration that I mentioned a few moments ago, I just want to get back to one further point. I want to refer to the area covered by Bill C-21, that famous bill introduced by the government which will cut back on benefits to my constituents and others. The government cuts back on benefits involving unemployment insurance. That, in turn, will increase the welfare rolls. Do you know what the government says to the province of Ontario, Madam Speaker? "Don't you dare increase welfare payments because we are capping your payments".

Who causes the welfare payments to go up? The federal government, by decreasing unemployment insurance benefits. So the government is pulling back from unemployment insurance. It causes welfare to increase and then refuses to pay its part of the bill under a contractual arrangement that it has with the provinces. It has put a cap on. It says: "If your benefits increase more than 5 per cent, tough luck, provinces."

What are the provinces going to do? They have to increase taxes of their own, or they are going to ask municipalities, which in Ontario for instance pay 20 per cent of the bill, to increase their share.

When this government claims that it is living within its means, that it is doing a proper job and that it is not increasing taxes, all of those things are false.

First, in the area of increasing taxes, we all know that the GST, which is referred to in the budget that was introduced only a couple of days ago, will result in an extra $1 billion a year in revenue. That is one tax.

Then we know from the minister's statement this morning about the so-called dividends of Crown corporations. So what do you do? Canada Post, for instance, increases the price of postage stamps. You take the revenue generated by the increase in postage stamps, call it a dividend and return it to the Consolidated Revenue Fund. That is a tax on postage. Call it what you like, that is what it is. That is another tax.

Then you cause the provinces to increase their taxes as well by cutting back on your contractual obligations with them. So the provinces have to increase the tax for the federal government.

I have just given three instances in which taxes are increased. And there are a lot more, of course.

There are countless ways in this budget, as well as in the effects of previous budgets which are just coming into force now, in which there are tax increases. So it is not accurate to state that there are no tax increases.

[*Translation*]

Madam Speaker, in concluding, I would like to mention briefly some major cuts in the acid rain sector, where about $20 million in funding will be slashed. As you know, this is a very important issue in my riding and the riding represented by the minister, and I am thinking of our mapletrees which require positive measures by all governments if they are to be saved, and when we see these cuts—

[*English*]

Let me say in conclusion, as one of my colleagues told me only a few moments ago, this government always wants to compare itself with the private sector. If this government were the management team in any Crown corporation or in any private corporation for that matter, the shareholders would have turfed them out of office a long time ago. Judging by the present popularity of the government at 19 per cent, that is exactly what will happen.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, it is reported today that the standing of the government party is at the lowest level of any government party in the history of Canada. I would think this reflects the good sense of the Canadian people. Ordinarily, polls are passing things that reflect reaction to one or two events. This morning we are seeing a poll that represents the reaction of Canadians to the sustained ripping at the fabric of Canada by this government. That shows wisdom.

This is a government that prides itself on efficiency, good management and God knows what all. In so many ways it offends its claimed status in that respect.

As I understand it, and I am not as experienced with this as my colleague, the member for Glengarry—Prescott—Russell, it seems to me that it is self-evident that the Estimates are tabled in order to give us some insight into the details of the changes in expenditure patterns that are contained in the budget.

I could not have imagined a greater farce than was experienced by those of us who were attending the lock-up this morning. Quite frankly, the lock-up was a total waste of time. All of the information we got in the lock-up we could have gone out in the hall and screamed to high heaven and nobody would have found a bloody thing new in anything we said because no new information was provided to us.

Ms. Black: Which was deliberate.

Mr. McCurdy: Whether it was deliberate or not, I do not know. We were crowded into a small room in which it was not even possible for all of us to sit at the table to gain the information necessary to exercise our critical judgment in respect to the information provided to us, had there been information provided to us.

But, Madam Speaker, if you consider where the greatest changes occurred in this budget, I would just like to reiterate what my colleague indicated earlier. We were denied 13 Part III Estimates, the detailed departmental estimates, for CIDA, Communications, Consumer and Corporate Affairs, Energy, Mines and Resources, Finance, Fisheries and Oceans, Health and Welfare, Indian and Northern Affairs, Multiculturalism and Citizenship, National Defence, Industry, Science and Technology, the Secretary of State, Transport and Veterans Affairs.

• (1200)

This is inexcusable. This is an outrage, not just to the opposition, but to the people of Canada that they are denied the kind of critical judgment that should be imposed on what this government tables as the Esti-

mates which is supposed to reflect the detailed patterns of expenditures represented in the budget.

Subsequently, at three minutes to eleven, at our request, because no effort was made to make it possible on the initiative of Treasury Board to provide us with the information or to provide us with the resources to get the information, we began to get a notion of why it was necessary to obscure from us the detailed information.

When we asked Health and Welfare representatives about the detailed cuts, we discovered, for example, that there was a $2.7 million cut in expenditures for alcohol and drug programs, cuts to the funded drug strategy, cuts in the response of this government to what the Prime Minister described as a drug crisis in this country.

You probably listened to the radio this morning and yesterday, Madam Speaker, and learned that we are sending Canadians to California to be treated for drug addiction. At the same time, we have the spectacle of a $2.7 million cut here.

Remember the promises with respect to child care? We learned $1.7 million is cut from child care initiatives, $3.5 million cut from the seniors independence program and $3.9 million cut from health research.

We queried the Secretary of State about the $23 million cuts in the budget. There was no information provided to us to find out what these cuts constitute. We did not get all of the information but, the member waved around a couple of pieces of paper and told us that the women's program is being cut by $1.6 million and the youth program is being cut by $6.4 million. I guess in the absence of a true Minister of State for Youth—Madam Speaker, I know this is very pertinent for you—the government just chopped off $6.4 million. The Canadian university program was eliminated and aboriginal programs cut by $9.8 million in ways we do not even quite understand. We do know that native newspapers are going to be eliminated.

We were rushed into a tightly crowded room and denied specific information because this government, quite evidently, would be embarrassed by an announcement, at this stage of the game, of the details of the expenditures. The government would rather wait until some weeks have passed, particularly next week when no one will be around here, before leaking out bit by bit the information on the 13 departmental documents of which we have been deprived.

Some have called this the "Pass the Buck Budget". It is a budget that was, as my colleague indicated, announced in the context of no tax increases. Never mind the $7.6 billion increase in collected income taxes resulting from last year's actions. Never mind the GST that begins next year. Never mind the cuts in unemployment insurance benefits that will mean increased costs at the municipal level for welfare expenditures and the increased premiums the cities will have to pay. Never mind the hundreds of costs that are going to be devolved upon the municipalities ultimately and be paid for by the hugely regressive tax on property.

The government washes its hands, like Pontius Pilate, as the costs devolve on those least able to pay. But, $2,500 is going to be saved by everybody as a result of this budget. It is very easy to hide averages among 25 million people but, I have a sneaking hunch that the greatest benefit is going to go to the usual people on behalf of whom this government works. The government describes the result of this budget as follows, and I quote: "The rising standard of living and the quality of life second to none in the world will be achieved as a result of the Budget tabled yesterday".

This budget is hugely dependent upon certain presumptions about interest rates over the coming year. Even as I stand here, the markets around the world are anticipating yet higher interest rates. We will have a chance to get this right for the next budget, the corrected budget, that the Minister of Finance will undoubtedly have to take. I hope that the President of the Treasury Board will arrange a room with sufficient seats, that he will provide us with the detailed estimates, the Part III estimates for all the departments so at that stage of the game, we can judge what is going on.

The interest rates are a very important aspect of this. If he is off by 1 per cent, that is $1.5 billion cut from the $225 that people are supposed to be saving all around the country as a result of this budget. It borders on the ridiculous.

I would like to go back to the issue about the rising standard of living and look at the some of the presumptions in this budget, some of the goodies, the real good things in this budget, that give the Minister of Finance so much confidence in our future. There will be a mounting level of unemployment. When you fight inflation from the point of view of these people, that is good news. Increase unemployment. That relieves the pressure on inflation. That is good news. Even better news is that the average wage increases will be below the level of inflation. That is good news. When people are poor they will not buy as much and that will bring down inflation. That is all good news. This government has so much good news.

When you read the budget and consider the scenarios described in terms of making Canada more competitive, remember the mounting rate of unemployment and the decrease in the rate of increase in real wages. These are good things. It is also a good thing that there will be a decrease in the final domestic demand so we will not import as much. The good news is that we are importing machinery so that we can get our oil, coal and wood and ship it off to somebody else.

Of course, Madam Speaker, you understand that what is at issue here is that this government has absolutely refused to recognize that this country cannot compete as a low wage economy as the government would have us do. You question whether that is really what this government is thinking about. The government brags because it is only cutting back $39 million in research and development. This is a cut-back in an already inadequate rate of expenditure. If you really want to see the commitment of this government to a shift to a manufacturing and knowledge-based economy in lieu of a resource-based economy, look at what is being done to Established Programs Financing. The EPF transfer cut-backs have already reached a level of nearly $8 billion as a result of this budget. This has severely hurt our capacity to produce educated, creative graduates of institutions of higher learning which are necessary if this country is to shift its directions to create a high wage economy.

The Prime Minister gets up on any number of occasions and says, "Oh, my God, there has to be something done about education. We are going to take some new initiatives, we are going to have a task force. We are going to make everything all right". It is not all right when students face higher tuitions and the universities are in scandalous shape. I point out in parenthesis here that in addition to these sharp cut-backs in university operational support, they are being hit in a variety of other ways. They are being hit with huge licensing costs for the use of radioisotopes to the extent that universities, as well as the high schools, are going to be driven to abandon an area of teaching in science that is necessary if we are going to produce educated graduates.

• (1210)

Nothing this government does seems to be consistent with any other pattern than the commitment in the free trade agreement to make us the resource pool for the United States and a target for acquisition by all the other countries in the world so long as we remain a low wage economy. It is absolutely outrageous.

Then we have what is going to happen to medicare. In Vancouver, and in Windsor particularly we have a citizens' movement that makes it possible for people who are denied critical health care and heart treatment in Canada to go to Detroit. Sixty per cent of the people cannot get into or near a hospital to have their operations, because so badly has our health system deteriorated already yet more cuts have been imposed. Again, it is an outrage.

One does not have to look at the Estimates to see that this budget is a travesty. It breaks every reasonable promise to Canadians, such as we will continue to have a high quality of life in this country.

I could go on repeating descriptions of cuts but these have been reported widely. They have been criticized widely. They have been condemned by most Canadians except those who are going to benefit and it continues to be those who are wealthy.

This government wanted to make cuts in expenditures. But it should not make them in EPF, not in welfare payments, such as the cuts in the Canada Assistance Plan at a time when the actions of the government are going to impose greater and greater burdens upon the cities and towns of this country to make up for the shortfall. It had money to waste. Just weeks ago it had government money to waste; $161 million for Boeing, $14 million spent to sell the GST that no one wants. It will cost the

government $1.2 billion to cover the increase in the deficit resulting from last week's interest rate rise, $350 million for RRSP top-ups for the very wealthy, those making over $86,000 a year. There were ways to cut the budget without hitting ordinary people and without threatening the very future of this country.

My leader has identified what is really wrong with this budget. We must emphasize the budget because the Estimates do not tell us a heck of a lot that is not in the budget. My leader has pointed out the real serious problem and it is the threat to the future of this country, not only in economic terms but in social terms. The civilized fabric of this country is being attacked by this government. Yet we ask why is there so much evidence of dissatisfaction and conflict in this country? It is because of this government's budget as reflected in the Estimates. I promise you, Madam Speaker, that if you are to preside over a future House it will be with a much diminished number of Progressive Conservatives.

The Acting Speaker (Mrs. Champagne): The Hon. Member of Westminster—Burnaby on a point of order.

Ms. Black: Madam Speaker, my colleague from Windsor—St. Clair spoke very eloquently about what happened in the lock-up this morning.

I rise on a point of privilege about what happened in the lock-up this morning. I was in there for an hour and one-half. We got no information on the program cuts. I was in there for an hour and one-half. I asked specific questions about the cuts to women's programming. I asked specific questions about the cuts to—

The Acting Speaker (Mrs. Champagne): I am sorry, I will have to interrupt the hon. member. The hon. member is describing something that did not happen in the House. It did not arise from debate this morning. Henceforth, the hon. member would have to give notice to the Chair of her point of privilege stating what it is about. I cannot entertain at this point in time the hon. member's point of privilege. It did not happen in this House and did not arise from debate this morning.

Mr. Angus: Madam Speaker, it is my understanding that the hon. member gave you notice of her intention to rise on a question of privilege. It is not my understanding that it is normal practice to provide the details.

I have been privy to the information that the member wishes to raise and I can say categorically it is impacted by the tabling of the Estimates in this House today, the Estimates which are incomplete in the sense of Part III, and which the Speaker will be reviewing. The member's point is separate with regard to her ability as a member of Parliament to properly advise her constituents. That is the matter which she wishes to raise.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It is the opinion of the Chair that to raise this question of privilege would require at least an hour's notice, and the letter or note sent to the Chair, should contain at least some indication of the manner in which the hon. member considers her privileges have been breached.

I don't think the note I received a few minutes ago is sufficient reason to interrupt the proceedings for a question of privilege on something that happened outside the House.

If the hon. member would care to send the Chair a more detailed note, she could raise this question of privilege after Oral Question Period.

* * *

COMMITTEES OF THE HOUSE

BILL C-48—TABLING OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Guy Ricard (Laval): Madam Speaker, I have the honour to present the report of the Legislative Committee on Bill C-48, an Act to amend the Crop Insurance Act, with amendments.

[*Editor's Note: For above report see today's Votes and Proceedings.*]

* * *

[*English*]

FISCAL ARRANGEMENTS ACT, 1989

MEASURE TO ENACT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved for leave to introduce Bill C-290, an act respecting fiscal arrangements between the federal government and the provinces.

The Acting Speaker (Mrs. Champagne): Shall the hon. member have leave to introduce the said bill?

Some hon. members: Agreed.

Mr. Gardiner: Madam Speaker, I have the pleasure to introduce this bill today, which I think is important given the debate in this country on budgets and transfer payments. It is an act respecting fiscal arrangements between the federal government and the provinces.

The purpose of the bill is to impose on the federal government an obligation to ensure that any amounts paid by it pursuant to any new shared cost programs are used in accordance with that particular program.

It is important because of the allegations that have been made, particularly in my province where the Social Credit government uses health and education money to pave highways, and the concern Canadians have over what allowed this to happen, the Liberal's six and five program. This bill ensures some responsibility in this Parliament to Canadian taxpayers that education and health money is spent on education and health.

• (1220)

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

Some hon. members: Agreed.

An hon. member: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 194*)

YEAS

Members

Angus	Butland
Funk	Gardiner
Nystrom	Samson
Skelly (Comox—Alberni)—7	

NAYS

Members

nil/aucun

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the first time and ordered to be printed.

* * *

[*Translation*]

PETITIONS

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Réginald Bélair (Cochrane—Superior): Madam Speaker, pursuant to Standing Order 36, I have the honour and the responsibility to present a petition from people residing in Valrita, Harty and Longlac. They are very concerned about a recommendation to do away with the system of tax benefits for northern and isolated areas.

Because of the hardships suffered by northern residents, including a harsh climate, the high cost of living and transportation and a lack of services, they ask with good reason for this recommendation to be thrown out and that the $2.5 million likely to disappear remain in the riding of Cochrane—Superior.

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, following in the footsteps of my articulate friend and colleague, I am tabling today, pursuant to Standing Order 36, two petitions from residents of Lebel-sur-Quévillon concerning recommendations of the Task Force on Tax Beñefits for Northern and Isolated Areas.

The petitioners, who represent an isolated community, are very concerned and reject the recommendations in this report which would result in many lay-offs among other things. They believe that the Canadian government has failed to recognize the harsh reality of their daily life in the North.

[*English*]

VIA RAIL

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a number of petitions on the issue of protecting VIA Rail. Members of the House may wonder why these petitions are being presented now that the government has already taken steps to gut VIA Rail across Canada.

My constituents on Vancouver Island managed to defend their little section of VIA Rail by taking the Government of Canada to court and ordering the government to continue the operation of our VIA service as one of the conditions by which British Columbia entered Confederation.

Madam Speaker, I have a number of petitions from Courtenay on Vancouver Island, Parksville, Qualicum Beach and from other centres on Vancouver Island. The petitioners are concerned that the government is now attempting to sabotage the service that it has been forced to operate by raising fares, undermining the quality of service and generally driving passengers away. This gives some idea of how competently the Conservative government has been able to manage VIA in the past. I would appreciate the opportunity to table these petitions which are all duly certified under Standing Order 36.

• (1230)

NORTHERN BENEFITS

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, like two previous members I have a large number of petitions here from residents of my constituency, the towns of La Ronge, Ile a la Crosse, Cumberland House, Pinehouse and other points in northern Saskatchewan that implore the government to not implement the recommendations of the task force report on northern tax benefits but rather to extend those benefits into the future for those communities, recognizing the very high cost of living in those communities and recognizing the fact that many people will be forced to seek employment elsewhere, robbing those communities of a lot of the professional business talent and so on that they need to develop and keeping in mind that the proposed goods and services tax will inflict a much greater burden on those communities than on other communities. This is one way in which they could be compensated for those additional costs.

GOODS AND SERVICES TAX

Mr. Ray Funk (Prince Albert—Churchill River): I have another petition signed by over 700 people from my constituency of Prince Albert, Shellbrook, Meath Park and other points in northern Saskatchewan.

It calls on the government to immediately withdraw the proposed goods and services tax or as it is referred to there, the grab and steal tax. They recognize the impact that it is going to have on their cost of living and the impact it is going to have on the ability of families to pay their bills. They ask that the government withdraw this tax immediately and bring in a fair taxation system that is going to allow Canadian families to pay their bills in the future and not be devastated by the tax burden.

LOW-LEVEL FLIGHTS

Mr. Ray Funk (Prince Albert—Churchill River): Finally, I have a petition from Edmonton and communities around Edmonton. These people are protesting the low-level flights which have taken place over Innu lands in Labrador. They call on the government to withdraw from the agreements that make those kinds of flights possible, to stop the plans for low-level flights over British Columbia and Saskatchewan, including my constituency, and to redirect NATO and NORAD funding toward enabling Canada's original people to regain control of their lands and of their livelihood, and promoting sustainable development for all Canadians.

GOODS AND SERVICES TAX

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, it is a great pleasure to present some petitions from our good friends in northern Saskatchewan to show us that there is unity across this country against the goods and services tax and to show that they are against this majority uncaring government. They want to assure the government that the fight will go on. It is particularly timely now as the budget presented in the last couple of days suggests there are no tax increases. Canadians know better.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions stand?

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 51 minutes.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 21, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government; and on the amendment of Mr. Young (Gloucester) (p.8636) and the amendment to the amendment of Ms. McLaughlin (p.8644).

Mr. Jerry Pickard (Essex—Kent): Madam Speaker, I stand today to speak on the budget and the motion made by the minister. I have to go back a bit and look at the history of this government and think about what has in fact happened over the time that the Conservatives have been the managers of the economy. If I were to give them a rating on management, it would be a pretty low rating. As a matter of fact, if this government was managing a company, it would have been fired a long time ago. However, that is not the case as it is managing the Canadian economy.

I would like to bring a statement forward to the government. I quote:

> The growing public debt has become a severe handicap to the economic progress and the most serious obstacle to economic growth.
>
> High deficits and growing debt will increasingly undermine confidence and put pressure on interest rates and reduce the prospects for growth in this country.

That statement was made by the Minister of Finance in 1984. Today, after five years in office, and against the background of an economy that turned out to be stronger than envisaged in 1984, the net public debt has grown dramatically.

The staggering federal debt figures prove that the government, despite protestations to the contrary, has failed miserably to address the problem. Virtually every measure it considered unacceptable in 1984 has been surpassed today. That statement was made by the Chamber of Commerce a short time ago when they made representation to the finance minister on 1990–91 budget.

People right across the country have voiced their opinions about the ability of the government to manage. We know a Gallup poll came out today which showed only one in five Canadians will support this government and the way it has managed the economy. The Angus Reid Poll last week suggested 21 per cent. Again, one in five Canadians would support this government. Four out of five Canadians oppose measure after measure that this government brings forward. Why? What is the reason? What has gone wrong with the management of this country?

Every time I turn around in this House I am told that we have a problem that was inherited from a Liberal government six budgets ago, and the government is unable to cope with it.

Day after day, week after week, year after year, that has been the message. Let us investigate what the statistics were in 1984 and what the stats are today and how a government with a majority has dealt with that huge problem it inherited, and how it has handled the economy in six years of total control. Remember, a government with a majority, as it has had, should be able to machine anything through it wished, set any policies it wished, carry the deficit as far it wished, add debt to this country as it would, and get away with it.

In 1984, the total revenues for the federal government were was $70 billion. Today, total revenues for the federal government are $120 billion. That is $50 billion in tax increases in its five-year tenure. The debt in 1984 was $170 billion. Today, $350 billion. It doubled the debt.

The payment on interest on the debt in 1984 was $22 billion. Today, it is $40 billion. The government has doubled that interest payment on the debt.

But it is really interesting to note that for six long years, this government has had total management of the economy. What has it done in that six-year period? It blamed the Liberals day after day for six years, saying it inherited a problem. However, it doubled that problem and severely curtailed its ability to handle the debt in this country. Through 31 tax increases of over $50 billion, it

has run the taxpayer of this country right to the brink and maybe beyond in some cases.

The income tax levels spoken by people who have come into the finance committee, spoken by manufacturers across this country, talked to by economists, have reached their upper limits. There is no more room to add income tax to the Canadian taxpayer. They have decided not to raise income tax because the Canadian taxpayer cannot afford more. However, there is an index policy which automatically brings it up quietly and underhandedly.

• (1240)

Excise tax, the sin tax that we talk about on gasoline and alcohol, was increased to the limits. People in my riding and in my area who live in border towns are driving their cars across the border and filling up with Canadian gas in Detroit and in other border towns because the tax on gasoline in our country almost doubles the price. The same Canadian gas bought in Detroit can be purchased at half the price of gas bought in Windsor.

There is a problem with our tax structure. The manufacturers' sales tax, the killer of jobs according to the Minister of Finance, has been raised and raised until it was two and a half times as large as it was when he took office. Therefore the remedy is a new tax and the GST was brought in, a GST which will solve all the problems. It will be the biggest tax grab placed upon the Canadian public and it will be put in place during the time this budget is in force.

The government has come in and said it is introducing a budget with no new taxes. What a shock. It has taken income tax to the highest limits possible, taken our excise tax to the highest limits possible, introduced a goods and services tax to outrageous levels—we will climb and climb and climb—and now it comes in and says, no new taxes. What a change! But Canadians know there are new taxes.

I could just sit back and think about that cabinet meeting when it was decided to develop the "no new taxes" line. Somebody is sitting back there scratching his head. He is thinking, "Well, you know, we have taxed this Canadian public as high as we can tax them. Every interest group in this country is telling us, don't add more taxes to us. What can we do?" Then somebody came up with, "Let the provinces pay our bill. If we stop living up to the commitments through our transfer payments with the provinces, they can take $2 billion, $3 billion, $4 billion, maybe even $7.5 billion off our debt which will make us really look good. We have been trying to get below that $30 billion debt figure for five years. If we have the provinces pick up a portion of that, we can bring it down to $28.5 billion debt and that will look good on us."

However, the Canadian public realizes what this government has done. Everybody that pays taxes in this country pays to municipal governments, to provincial governments and to the federal government. If the federal government shifts taxes to the provincial government, it still costs our taxpayer the same number of dollars. What this budget has done is shift a huge tax from the federal government to the provincial governments.

The Premier of Ontario suggested that $495 million extra will be required by the province to meet its needs. He also stated that the federal budget will take food out of the mouths of kids in Ontario because problems have been moved from his government to the provincial governments. Ontario is not the only one to suffer.

The Minister of Finance, through his strategy, has done one thing. He has united all the premiers, united them to speak against his budget, united them in anger because they know a huge problem that the federal government has built over the last five years has been transferred to the provincial governments who must now deal with it. That is a shame. It is a shame because where a province has been a good manager, where a province has done the very best to be honest with the public and raised taxes in accordance with expenditures, these provinces are being penalized. All provinces across this country are going to suffer that penalty from this budget.

When we look at that shift, we certainly cannot think that is fair in any respect and yet it is a strong shift that this government has done. They have changed focus now to get below the $30 billion deficit and have the provinces and municipalities pay for it.

Just look at a couple of the specifics within this budget, that are going to affect groups in this country. The transfer payments to the provinces are going to add a great deal more burden to our health care systems. I come from the Essex County-Windsor area. There, Madam Speaker, we have had a great deal of pressure on

our health care system. I know that there have been special arrangements made by the Ontario government for people who are having particularly chronic problems to be transferred from the Windsor area into Detroit for health care services because the Ontario government does not have the services available for them.

I know that there are shortages and long lines for hospital beds in many areas of Ontario and those shortages and long lines for beds go across this country. One action by the Minister of Finance, and we end up making longer lines, making greater shortages or asking the provinces to put in millions upon millions more to make up the difference. A neglect of an agreement that was made by the provinces, therefore, is coming directly down on the heads of those who are ill, those families who need very critical health services.

I kind of smiled as well, but it is a serious matter, when we look at the headline in the *The Ottawa Citizen*, "Vets At War With Michael". How on earth can a budget come down on the heads of veterans, hospitalized veterans from the First World War, the Second World War and from times in the past, who served this country offering their lives where need be? Now we are going to tax them in their hospital beds. That is a real travesty of taxation but it shows the low levels at which taxation can arrive at times. It shows that we do not meet the needs of all of those. Certainly I for one feel very badly that the veterans have been even thought of as another area of revenue.

I also have a student who is going to the University of Ottawa. I realize the need for post-secondary education in this country. We have talked about post-secondary education and research and development as the means by which we can get away from being drawers of water, as a means by which we can get away from the lower levels of jobs and raise our people into high-tech and high opportunities for the future.

The answer that this government has provided for students in post-secondary education, the answer that they have provided to research and development is to cut severely into the ability of this country to produce what we so direly need and that is a higher tech society—a society that can compete on a world basis.

When we heard the UI cuts, we heard there was going to be training for people. We are going to put that into place so that people who are displaced will be retrained. I haven't seen any evidence of that happening. We were also told during the free trade debate that we have to change from being drawers of water and hewers of wood to a society much better able to handle high-tech areas of this world. Yet the government cut research and development. It cut post-secondary education, which means it cut our future. It cut the future of those people who are able to develop higher skills. That is a travesty.

• (1250)

Let us look at the welfare program and the cuts or caps there. We have been hearing for months about the slowing down of the economy. The signs are very clear. Auto workers are being laid off in my region. Many, many people are having a lot more difficulty securing jobs than before. We have seen difficulty after difficulty across this country. There is a crisis in the maritime provinces. British Columbia has had a fair amount of suffering in the fishing industry as well. We know that the farmers in the prairie provinces are in a disastrous situation. Unemployment insurance rules have been changed, or are in the process of being changed, so people who become out of work will get less benefits than they would have just a year ago. Those cut-backs in UI are there when we are coming into a very difficult economy. What do we see? We see the federal government's obligation to the provinces being capped. In other words, it is telling the provinces that this huge problem of slow-down, created by high interest rates and mismanagement of monetary and fiscal planning, is going to come down on the heads of the provinces, because they are going to have to carry the extra expenses.

It is a real travesty when we realize that more people are going to be out of work in this country, as clearly stated by the Minister of Finance. The government has cut back its UI support. It is now cutting back its welfare support. Who is going to pay the bill? At least the provinces are caring governments. They are going to have to carry those expenses. It is a shame that this government, through mismanagement, is dropping that responsibility on the provinces.

When I mentioned the crisis across the country, this budget is glaring in the fact that it did nothing to deal with the Atlantic fisheries crisis; the farming issue in the west, or in Ontario; or the auto industry and the

manufacturing slow-downs. The agri-food business has been put under tremendous stress through the free trade agreement and the government is neglecting that responsibility. By cancelling the *Polar 8* ice-breaker, it again adds to unemployment in British Columbia.

As we go down the list, it creates its own crisis and difficulty, and then pushes it off somewhere else. It certainly is an unacceptable situation when I see all these things coming up. There is also the housing crisis and the CBC cuts causing a communication problem throughout this country.

We, as Canadians, are upset with the management of the government. The people of this country have a very clear, strong message to give to the government. With the polls indicating 20 per cent support, they are telling the government that it is doing a terrible job.

Mr. Lewis: It is 19 per cent this morning. Get up to date.

Mr. Pickard: I am averaging my 21 with your 19. The two latest polls give you 20 per cent and that is right up to date.

However, the point is a very clear one. This government is a terrible manager of the economy.

Mr. Wappel: Madam Speaker, may I just begin by congratulating my colleague on another of his excellent and incisive analyses with respect to the Conservative government making our society stray from that which is right and just.

By way of comment and question, I want to ask my colleague a very simple question. I would like him to comment on a particular part of the budget, and that is the very first paragraph in the budget book in which the Minister of Finance indicates and I quote:

> Since 1984 this government has been following a consistent and comprehensive plan to ensure that Canadians can benefit from a rising standard of living and a quality of life second to none in the world.

I ask my colleague this question. In Canada today we have high interest rates, a crisis in the Atlantic fishing industry, a 24 per cent illiteracy rate, and the largest debt in the history of our country. As the hon. member pointed out, under this government, increasing poverty is evidenced by the increasing number of food banks springing up across this country, increased taxes on ordinary Canadians and decreased taxes on the corporate elite. Would the hon. member be kind enough to comment on how the Minister of Finance could possibly have the gall to make the statement that he did?

Mr. Pickard: I thank my hon. colleague for the question. I think he keys in on something that is very relevant to the arrogance that we have seen from the Minister of Finance and the President of the Treasury Board when they present that they are on course with an over-all process which is going to enhance our nation and that Canadians are better off. We have gone through six years of very prosperous times and some good economic growth which was not expected to be as strong. What happened within the whole process of growth and prosperity is that the government has set us on a disastrous course of huge debts and huge deficits. Michael Wilson said in his forecast in 1984 that if we followed the Liberal line we would end up at such and such a level of debt and deficit. Instead, we followed this government's line. Here is a statement made clearly by the Chamber of Commerce, normally a strong supporter of this government:

> The staggering federal debt figures prove that the Government, despite protestations to the contrary, has failed miserably to address the problem. Virtually every measure it considered unacceptable in 1984 has been surpassed.

This says that maybe it did set a course in 1984 to destroy the country. That is the only answer I can give when it says it is still on course and doing well with the economy. It has increased taxes. It has increased the debt. The interest payments on the debt have doubled. I really do not understand what course it set and what course it is on. It seems to be a course of disaster by a master.

Mr. Fontana: Madam Speaker, let me also take this opportunity to congratulate my colleague from Essex, near London, for his fine presentation on this very important and serious matter, the discussion on the budget. I want to ask him one question.

He has been very insightful in his analysis of the budget and the government's management performance over the past six years. We all know the budget is very much predicated on some assumptions, such as assumptions of growth rate, unemployment rate, interest rates, and so on. The minister obviously has to take into account what the performance of our economy is going to be in 1990. It is clear that not even his most favoured buddies and most favoured clientele in the Canadian constituency agree in fact with his assumptions, especially as they relate to interest rates. Would my colleague

from Essex—Kent give us more information with respect to those assumptions and how inaccurate or how wrong they may very well be.

• (1300)

Mr. Pickard: Madam Speaker, again I thank my colleague for the question.

Our interest rate situation is a very difficult one. The reason is that we are in an economy that basically has borrowed, borrowed and borrowed. The Government of Canada is the largest borrower in the country. It is in a situation where it has borrowed tremendously not only from this country but from many others.

I quote an article in *The Ottawa Citizen* of today. It relates to James Gillies' warnings that Canada's worst nightmare is not the net debt, but that it will be growing at alarming rates from $350 billion to $406 billion by 1991-92. The article continues:

> The real killer, he says, is the foreign debt of $250 billion—which on a per capita basis is the worst in the world.

The worst foreign debt in the world has been built by this government. It continues:

> Our foreign debt is the most of any country in the world on a per capita basis—And of course, we are running a $20 billion deficit in our current account. When you get a big deficit, you have to import capital.

To get capital you have to maintain high interest rates. Our high interest rates are therefore there to bring in foreign capital to prop up our foreign debt. It is very clear that we have to be cautious about who is buying Canada. From the policies that are going on, this is a disastrous course.

Mr. Nicholson: Madam Speaker, I just heard the hon. member mention a debt of $250 billion built up by the government. I am sure he would want to correct the record by first acknowledging that when the government came into power in 1984 the debt in the country was $200 billion.

Mr. Fontana: No. Stop inflating that.

Mr. Nicholson: The interest on that is another $120 billion just on what the Liberal Party left us in 1984. That is $320 billion.

Some hon. members: Oh, oh!

Mr. Nicholson: Does the hon. member ever talk with his colleagues about this? Some of them are pretty quiet such as the member for Winnipeg South Centre or Mr. Chrétien who is running for the Liberal leadership. I know the hon. member will agree with me that they are not too worried about this deficit but it is interesting the hon. member said that he is so worried.

Has he ever had this discussion in his caucus, asking why did they let this happen? I know the hon. member will agree with me when I say that we would be in a lot better shape today if we had not inherited a $200 billion debt in 1984 and if we did not have that $120 billion that we have had to pay in interest since then.

The hon. member's concern is very interesting and nice to hear, but has he ever talked with any of his colleagues in the Liberal Party? They have been as bad as the socialists in encouraging government spending.

An hon. member: No.

Mr. Nicholson: Yes, it is true. They have been as bad as the socialists in encouraging the Government of Canada to spend money it does not have. I put that to the hon. member.

Mr. Pickard: Madam Speaker, I appreciate the comment from my hon. colleague on the other side. I would like to correct him on a couple of points that he made.

I was quoting a $250 billion foreign debt.

Mr. Oberle: Where did you get that? It is absolute nonsense.

Mr. Pickard: That came from an article, as I pointed out clearly, in *The Ottawa Citizen*. It was Professor James Gillies who was commenting on what is happening to the moneys going out of this country and the foreign groups buying in. That was where that figure came from.

I will go back to the 1984 budget figures.

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member, but the period for questions or comments has now expired.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, I welcome the opportunity today to take part in this debate and to express my views on the measures contained in the federal Budget.

If we are to have a constructive debate on this Budget and some appreciation of all the nuances and subtleties it contains as well as the actual measures it proposes, I think we should consider the Budget in the context of the economic situation and the budgetary realities facing us today.

One aspect I would like to mention right away is the fact that the Budget contains no tax increases. It is the first time in living memory that a federal Budget has not proposed tax increases, and whatever certain opposition members, whose judgment is often clouded by political partisanship, may say, this Budget contains no tax increases. Canadians sent us a clear message. They asked us not to raise taxes and to cut spending, being equally aware of the major problem the deficit and our national debt represent for the economic future of our country.

Despite the fact that we have cut the annual growth of the debt from 24 per cent to less than 10 per cent since 1984, the debt is still growing faster than the economy. Our public debt has grown from $200 billion in 1984 to $350 billion this year. Eighty per cent of this increase consists of the compounding interest on the $200 billion which our Liberal friends left us as their legacy in 1984. We must not forget that the current budget deficit, contrary to what some people would have us believe, is not the result of uncontrolled government spending but was caused by the monstrous debt we were left by the previous Liberal government, combined with the incredible imbalance between that government's revenues and expenditures. That was the situation we inherited in 1984, and we have been working very hard ever since, with today's remarkable results.

In 1984-85, the government had an operating deficit. Program spending exceeded revenues by about $16 billion. This means that when we came to power in 1984, the government spent $16 billion more than it received in terms of tax revenue, and it was necessary to borrow those $16 billion.

Today, in 1990, this balance is now positive, with revenue $9 billion more than program expenditures. This means that now we do not spend more than we take in. On the contrary, we spend less.

This turnaround of $25 billion in the operating balance brought it from a deficit of 3.6 per cent of gross domestic product in 1984-85 to a surplus of 1.4 per cent in 1989-90.

Madam Speaker, I believe that it is also important to add for the benefit of Canadians and members of this House that 70 per cent of this improvement is due to cuts in spending.

Canadians sent us a clear message: they are ready to tighten their belts, the people are prepared to make an effort so that together we can repair the irreparable, but they demand that their governments and their representatives make a concrete effort to reduce expenses and that governments live within their means.

And the Minister of Finance and this government got the message. That is why this Budget contains no tax increases but rather a significant expenditure reduction of about $7 billion by 1992.

It is important to remember that this spending cut contained in the Budget is in addition to the one announced last December by the President of the Treasury Board which provided for major reductions of about $1.4 billion over the next three fiscal years.

• (1310)

The purpose of these measures is to eliminate waste, to make operations more efficient and to save money. For example, Madam Speaker, federal construction projects have been frozen, travel by parliamentarians and officials has been restricted, some parliamentary restaurants will be closed, two government jets are being sold and several government agencies are being merged or eliminated altogether.

Madam Speaker, those are courageous, concrete and responsible acts to give back to Canadians what our predecessors unfortunately endangered.

Madam Speaker, the deficit is a national problem. It requires a national solution.

If we want to restore the public finances, provincial governments must do their part, in the same way that they will benefit from lower inflation, declining interest rates and sustained economic growth.

The deficit cannot be reduced significantly without affecting transfers to the provinces. These transfers are too large a share of federal spending to be left out.

Let us look at the situation of transfers. In the fiscal year that will end soon, transfers of cash and tax points to the provincial governments will exceed $35 billion and these transfers have been growing faster than federal programs in general.

Transfers to the provinces have grown at an average rate of 6.5 per cent since 1984–85. Throughout that period, increases in total federal program spending were kept at an annual average of 3.6 per cent, which means below the inflation rate.

This year, 35 cents of every revenue dollar will go towards paying the interest on the debt. The provinces, on average, spend only 12 cents on servicing the debt.

If the federal government does its duty by keeping spending increases down to around 3 per cent, it would be hard to imagine allowing provincial transfer payments, for established programs financing in particular, to maintain a growth rate of 6.5 per cent.

The February Budget reflects the fact that transfer payments to the provinces cannot keep increasing at the same rate, if we are to achieve our objectives for reducing the deficit.

As part of the Expenditure Control Program set forth in the Budget, provincial transfers are expected to grow by an average of 3 per cent over the next two fiscal years, about the same rate as total program spending.

The Budget also reflects the specific needs of lower-income provinces. Federal transfer payments are expected to increase by an average of 2.3 per cent in higher income provinces and by about 4 per cent, during the next two fiscal years, in lower-income provinces.

The decline in the growth rate of provincial transfer payments represents about 1 per cent of total provincial revenues. Federal support to the provinces remains very substantial, nevertheless, and total transfers will continue to increase, reaching over $36 billion in 1990–91. The poorest provinces will receive a proportionately larger share of these transfers.

Madam Speaker, the spending restrictions we must impose if we are to deal effectively with the deficit and our national debt, require some difficult and very serious decisions. However, they reflect a concern for fairness and justice that ensures the provinces will not be unfairly penalized.

Madam Speaker, the Budget proposes a wide-ranging program aimed at controlling federal spending for two years. I shall, if I may, mention some of its components.

Although the Expenditure Control Plan will affect certain areas of program spending, major transfers to persons will be exempted.

In other words, the budget cut-backs do not apply to benefits for the elderly, family allowances, veterans' pensions and allowances, unemployment insurance benefits, and Canada Assistance Plan equalization transfers to poorer provinces.

Ever conscious of the views expressed by most Canadians, we want to maintain our social benefits and show that even if the fight against the deficit calls for stringent measures we can and we must do that without compromising our major social programs.

The growth of a number of programs has been limited to 5 per cent for the next two years. This applies to Canada Assistance Plan payments to the fiscally stronger provinces—Ontario, British Columbia and Alberta—and to expenditures for science and technology, Indian and Inuit programs, as well as foreign aid and defence.

Other programs will be held at the 1989–90 levels for the next two years. With respect to Established Programs Financing, total per capita cash and tax transfers to the provinces will remain constant. These transfers will continue to grow with provincial populations.

Some programs have been reduced or eliminated. The government will not proceed with the offer of assistance to the OSLO oil sands project. The Canadian Exploration Incentives Program has been cancelled, and the government will not proceed with the Polar 8 icebreaker project.

Business assistance has proved to be very useful, but the government will take a more business like approach. With limited exceptions, grants will be eliminatd beginning in 1990—1991 and federal assistance will be repayable on more rigorous terms. The emphasis will be on economic development rather than private sector subsidy.

The Budget also listed, Madam Speaker, a broad range of measures to make government operations more efficient and less costly. We will continue to privatize Crown corporations and to sell shares in those which are no longer necessary to achieve public objectives. Also, to increase the return on public investments and to reduce the deficit, profitable Crown corporations will have to pay the government more dividends. The 2 per cent ceiling on annual increases in government operations and maintenance budgets will also be extended until 1994–95.

Together with the initiatives announced in December, these measures will yield savings of about $3 billion in 1990–91 and nearly $4 billion the following year. Total savings of over $19 billion will be realized in the next five years.

The Budget thus brings the deficit back to a declining curve, without tax increases. We are acting now so that the government's financial situation in the 1990s will make it possible to support the programs to which Canadians are most attached.

The measures presented in the Budget will lower the deficit to $28.5 billion in 1990–91 and cut it in half, to $14 billion, by 1993–94. The following year, the deficit will go down again, to $10 billion. The excess of operating revenue over program expenditures will reach $31 billion. Program spending will fall to 14.2 per cent of national income, the lowest level since the late 1960s. The national debt will start decreasing relative to the national income. The government will begin to pay down its bonds and Treasury bills.

• (1320)

Both collectively and individually, Madam Speaker, Canadians must commit themselves to building a sound and productive future on strong foundations. To that end, we need a government with the necessary financial freedom to monoeuvre and maintain the important services and meet the new challenges head on. We also need a dynamic economy to ensure an increase in the standard of living and a widening of opportunities for a full and satisfying life. We need a country which is mature, economically sovereign, perfectly competitive and the master of its own destiny.

Canada has the natural resources, the capital, the human resources and skills needed to prosper in a competitive world. However, our ability to determine our economic future is seriously compromised by inflation and our increasing indebtedness.

Our economic strategy and the positive steps we have taken in this Budget, in accordance with this strategy, clearly put within our reach a decrease in inflation and a progressive reduction of the deficit. Perseverance in our efforts will make it possible for us to determine our future better and use a larger share of our income to improve the standard of living and quality of life of all Canadians.

Finally, Madam Speaker, I just cannot overlook the words of praise which the Minister of Finance (Mr. Wilson) has received from Mr. Bernard Landry, a highly respected and credible Quebecer, who stated, as reported yesterday in *La Presse*, and I quote:

"Under the circumstances, this excellent budget is an amazing feat. Mr. Wilson is certainly the best Minister of Finance Canada has ever had."

Some hon. members: Hear, hear.

Mr. Robitaille: The Minister of Finance has received words of praise from everywhere. The Minister of State (Finance) who is here can bear witness to that. I suggest that with respect to this budget, the Opposition cannot be right against everybody else.

[*English*]

Mr. Pagtakhan: Madam Speaker, I would like to ask a few questions of my hon. colleague. Since the budget in a real sense reflects the mind, heart and muscle of government, I did not see any heart for the poor, the sick, the youth, the seniors and the veterans. I see, in fact, no mind or vision for the future.

Would my hon. colleague not admit that were we as a country to be competitive, we truly have to have educated Canadians, literate Canadians, healthy Canadians? How can he expect ill and illiterate Canadians to compete in the coming century? How would he reconcile the increasing health care problems in all the provinces, and the need of the injured and the ill to have access to hospital beds, nurses, doctors and therapists, yes, how would he reconcile the needs of today with the budgetary cuts that this government has undertaken in the wrong departments?

There is a second point I would like to comment on before he stands to answer those specific questions. I would like to submit to him that when the government says there are no new taxes, this is only a way of being sneaky and less candid with the Canadian public. The transfer of payment cuts to the provinces are equivalent,

and this is not original as the 1989 edition of the book, *Canada, the State of the Federation* did say that the transfer of payment cuts to the provinces are equivalent to increasing taxes—a sneaky way of increasing taxes without telling the Canadian public quite candidly.

Second, would he tell the House why taxation by surcharge is allowed to continue? This is also equivalent to increased taxes because by definition surcharges ought to be only temporary. We would also like the member to comment that since the GST, if enforced by this government by January 1991, will take effect within the current budgetary fiscal year, why then those GST not be new taxes to the Canadian public. I would like the hon. member to be candid to the Canadian public, to be candid to the ill, the sick, the youth and the poor. Thank you, Madam Speaker.

[*Translation*]

Mr. Robitaille: Madam Speaker, I want to thank the hon. member for his comments. I almost needed a tape recorder to catch everything he said. In any case, I will try to respond to all his questions and comments. When he told us here in the House that he found it hard to find any heart in what we are proposing, I think the hon. member failed to understand our message.

Obviously, there are a number of challenges facing this government. When he talks about the need to fight illiteracy and to deal with health care costs, the hon. member is perfectly right. But I would say that the biggest handicap and the greatest threat to all these programs remains the extent of our national debt and our deficit. The Liberal Party left us to deal with the public finances of this country in 1984-85. I may remind the hon. member that it was his party, when it was in power, that left us this mortgage on all our social programs. When we take measures to control spending, to reduce the deficit and, within the foreseeable future, to reduce the national debt, this is still the best guarantee anyone could wish for maintaining the effectiveness of our health programs.

The hon. member seemed rather upset or suspicious about my statement that there were no new taxes. I repeat: the federal Budget has no tax increases. There are none. When the hon. member says that the Budget will lead to tax increases at the provincial level, I may remind him that the provinces do not necessarily have to increase taxes. They have the alternative of engaging in the same exercise as we have initiated at the federal level, and I am referring to better spending control. I repeat that if we manage to keep our spending increases down to 3 per cent at the federal level, we can hardly let transfer payments increase by 6.5 per cent. I think that would be inconsistent.

As for the GST, Madam Speaker, I am sure we will have a chance to discuss this subject in greater detail.

However, I simply want to say that the GST gives the Government of Canada a certain revenue stability and it provides for a fair distribution of the tax burden among all Canadians, and that this series of measures, the Budget, previous budgets and all other measures that have been taken will make it possible to achieve a better fiscal balance, reduce the deficit, control the national debt and thus guarantee the continued existence of our programs in the future. We must realize this.

[*English*]

Mr. Butland: Madam Speaker, I commend the member for the delivery of his speech. I cannot say too much for the content.

• (1330)

I know he took great interest in the by-election in Chambly and I know he would like to take the opportunity when he gets on his feet to congratulate the new member for Chambly and congratulate the New Democratic Party in the Province of Quebec and also Canada. I know he is very eager to do that.

In this deficit discussion I notice that the Liberals suggest it is the Tories fault and they throw it back. However, I suggest that both parties share in the blame and there is no sense going back and forth. I think both parties should equally share in the credit for the deficit. Only the New Democrats have not shared in this deficit production.

Let me speak about the financial commitments of 1988. We have not reflected too much on the election lately, but it was crystal balled at that time that there were no problems whatsoever with the financial commitments of the government, and there was no mention of deficit. However, for the last several months all we have heard from this government, is "deficit, deficit". Why all

of a sudden? What happened immediately after the election that we became pre-occupied with deficit?

The member mentioned concrete cuts and we are also interested in concrete cuts, but I understand in the lock-up this morning that it was very general, very vague. I would be interested in the member's comments about how concrete the cuts are and how specific they are.

As far as the "no tax increase", surely the member would agree that there is only one taxpayer and whether he or she pays taxes at the municipal, provincial, or federal level it is a tax increase regardless, and there are not going to be cuts across the board or else we will do without hospital beds and education.

To end my comments, I will just ask one question. Should not each sector be responsible for his or her own governments, own area, or own department? Should not the federal government have become responsible for its own area and not shift the blame to the other levels of government?

[*Translation*]

The Acting Speaker (Mrs. Champagne): A very short comment from the hon. member for Terrebonne.

Mr. Robitaille: Madam Speaker, as for the election in Chambly, I think that the hon. member cannot doubt that— Yes, I welcome the new member for Chambly, but I am eager to hear him explain his position on Meech Lake. We are waiting for it here.

In his little talk, the hon. member said—for which I thank him—that the Conservatives and Liberals seem to be accusing each other back and forth and that the New Democratic Party is the only party not involved in creating the debt. I think that the hon. member will recall very well what the New Democrats did when we had a minority Liberal government, what orientation it gave to the Liberal Party, which might not have been strong enough to stand on its own two feet then. Furthermore, luckily we never had a New Democratic government in power because, hearing them talk in committees, calling for new programs, new services, wanting to run people's lives and decide what is good for them, I assure you that the bill would be quite a bit higher than it is now.

The Acting Speaker (Mrs. Champagne): I must interrupt the hon. member; the time for comments and questions has now expired. Resuming debate, the hon. member for Winnipeg South Centre (Mr. Axworthy).

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, in a budget debate an opposition has a couple of key responsibilities. One is to clearly criticize and point out the flaws in the document presented by the government. Yesterday, we saw our own critic for finance do a superb job of analysing the lack of credibility and the lack of forthrightness in the minister's statement that there are new taxes, there is going to be a continuing deficit, perhaps a worse one, and that the premises of the entire budget are suspect.

As the days proceed, we will find other members continuing the very important task of holding the budget up to light and letting Canadians take a hard look at just how weak the document really is.

This afternoon, I want to present what I think is another responsibility of opposition, and that is to present Canadians with a choice, to present them with alternatives, to have them look at a different kind of economic blueprint, a different kind of economic statement that could have been made, that should have been made, and might have been made with a different government, a government that would have a different set of values, a different outlook, different premises, different assumptions about what is happening in the country, what the priorities are, and what is important.

As much as a critique is important, so is choice. Canadians must be given the opportunity to understand that there are different ways of managing the economy of this country, and certainly of presenting a blueprint and design for Canada that will stand us well in the future.

Every member of Parliament, as we turn this particular decade, was visited with all kinds of material about the 1990s and the vistas beyond. We should all be aware that what is going on in the country does require some direction and some sense of purpose. In our case, a

budget is simply more than an accounting sheet of expenditures and revenues, it is more than simply totalling up taxes and outlays.

It does represent a direction, a purpose, a blueprint and that is, in large part, where our debate should focus. It is important to me because perhaps this budget more than any demonstrates the clear distinction in philosophy and political belief that is polarizing this country in part but certainly setting out major distinctions.

I also think it demonstrates the lack of reality and the lack of sincerity in coming to grips with the very substantial underlying strategic problems taking place in this country.

Let me just present a couple of examples. We are a country that is increasingly finding itself built on two levels, a split level society. The Economic Council said it best. I cite the Economic Council because certainly no one could ever accuse it of being a Liberal think-tank. In its latest report "Good Jobs and Bad Jobs, it states that the regional disparities in Canada are growing wider, that as we go into a service economy, close to 78 per cent of all new jobs will take place in four or five major urban centres.

That leaves a lot of Canadians dispossessed. It leaves a lot of regions of Canada on the outside. It leaves a large part of this country totally outside the job market. How did the Minister of Finance deal with that in his budget? He basically shut down regional development programs. He took the regional development agencies like Western Diversification, ACOA, and others and turned them into lending agencies. They are no longer development agencies. They are now banks. If you are big enough and have enough assets, sure you can get a loan. But if you are a small entrepreneur in a small community in the Atlantic or in the interlake of Manitoba you do not have the same capacity. You need a start-up and that will be denied.

Rather than offering at least some small semblance of gesture toward regional disparities as outlined in this document of the Economic Council, the Minister of Finance goes in the opposite direction. He does not seem to be looking at that reality that is staring him in the face that we are a country where most of the growth and activity is concentrated in one, two or three major urban centres.

That has enormous portents for the future of this country. It means the idea of building a country from sea to sea where there is a sense of belonging in every single part of Canada gets erased. The message is that you have to be in a big city, or one or two big cities in order to prosper.

While I am at it, let me point to another reality as presented by the Economic Council. It points out that the job market in the last five or six years has substantially altered, and that about half of all the new jobs, which this government is always standing up and being so proud about, are temporary, part-time jobs.

Mr. Nicholson: No way.

Mr. Axworthy (Winnipeg South Centre): It says it in the document. I would suggest that Conservative members learn to read, because there it is. I cite it: "Good Jobs and Bad Jobs, published by the Economic Council of Canada. Forty per cent of all the new jobs are part-time placements or temporary jobs. Not only that, but the disparity in income is growing wider. Look at this figure in terms of the so-called income base of the middle class of Canada. It has gone down from 34 per cent to 29 per cent in a matter of about eight years.

• (1340)

The middle class is shrinking and we are getting one job market for highly skilled, high techs or service stock broker-type people who get high incomes, the BMWs, the fancy condos, and the expense accounts in Florida, but people in the other parts of Canada are suffering and their incomes are dropping.

What do we see in the budget document? What we see actually written in the document is that the Minister of Finance is predicting an income decline for Canadians. That is something we should take confidence in? In the document itself the government is predicting that there will be a personal decline in income.

Along with that reality of the growing disparity in incomes, which the minister does not address at all, is the growing burden of the taxation which falls upon the middle class, which is seeing its income drop. Those are not my figures. They are from the Economic Council of Canada.

So the middle class is losing income and paying more taxes. In the meantime, as the budget document itself points out and I cite specifically documents of the government itself—the Economic Council and the Department of Finance—which also point out that in the last five years, since 1984-85, the corporate burden of taxation in relation to the revenues of Canada have

fallen from 13.5 per cent to 10 per cent, and the personal income of Canadians have gone up about 10 per cent or 15 per cent, which now represents close to 50 per cent of all the revenue.

That is a serious reality about this country. Again, I put to this House, what has the Minister of Finance done about it? What we have seen is that he is cutting back on those programs that would provide some assistance and adding taxes, for example, a consumption tax, which will fall heaviest on those middle income people, and relieving the corporations of another $9 billion worth of taxes.

Surely, looking at that reality in black and white, one would have thought there would have been a different budget presented, that the Minister of Finance had a responsibility to recognize that this was a new reality in Canada, a Canada in which there is a growing disparity, a growing gap, a growing separation, and a growing feeling that a lot of Canadians no longer count and are being pushed to the sidelines.

We have had a debate in this House and there is a lot of consternation in the country about the outgrowth of certain regions or communities that are becoming anti-French in some ways, or anti-Canada. Part of it is based upon an economic reality that they no longer feel they have a stake in the country. It is related to this economic reality. If you are losing your job, income and industry, you will lash out at people. You get angry and mad.

So much of the responsibility of this budget is to repair the fabric of Canada as much as it is to deal with dollars and cents. Yet I saw nothing in the budget that was prepared to deal with this kind of reality.

Mr. Parent: They don't care.

Mr. Axworthy (Winnipeg South Centre): Maybe they do care. But maybe the Minister of Finance has become so fixed and obsessed with just one reality, the thing called the deficit, that he is ignoring the other realities of a country that is slowly tearing itself apart economically, and therefore socially and politically as well.

Let us look at another reality that is not addressed in this budget. We hear countless times about the talk of globalization, how we are now players in the international marketplace, how we have to make ourselves competitive and productive and show that we are able to meet the demands of the new international marketplace. I agree that is an incredible challenge that we face. I do not think it is a matter of partisanship to say that we are all in the boat together and everyone wants to see this country succeed.

However, let me return to the budget document for a moment and refer to a little known figure that was not drawn out or emphasized. Certainly, the Minister of Finance did not reference it in his speech. In this coming year alone, we are facing a current account deficit of $20 billion. We are becoming indebted to foreign countries. We are increasingly allowing our economic rights to be taken over outside the borders of this country so we will no longer be *maître chez nous*. Every single hour that we sit here over $3 million leaves this country. If you want to look at some striking figures, back in 1965 foreign indebtedness in relation to our Gross National Product was 17.9 per cent. In 1988, that had jumped to 21 per cent. About 38 per cent of our GDP is now in foreign debt.

Why that is important is it comes down to one final truth. The reason for our high interest rates. Because of the escape of capital and money from this country, the outflow of dividends, the outflow of paybacks, the outflow of that kind of money we have to have high interest rates to artificially entice further capital in. We are now paying the price for decades upon decades of foreign ownership and the resulting capital haemorrhaging that is taking place in Canada.

We used to be able to pay for it by a surplus trade balance. Back in 1984, the last year of a Liberal government, we had a $20 billion trade surplus. Do you know what the trade surplus was last year in 1989? It was down to about $4.6 billion. What we used to be able to pay through our merchandise trade, the sale of our grain and our resources and our manufacturing, we are now desperately losing.

I only have to remind you, Madam Speaker, that this is in the era of free trade. This is one year after we were promised by the Prime Minister, the Minister of Trade

and the Minister of Finance that free trade was going to open up new trade opportunities, bigger markets and larger growth. Instead it has shrunk, it has fallen, and we are now in a serious crunch in terms of our trade surplus and even more desperately in terms of our foreign exchange position.

That is a problem that no government can ignore but this government does. It does so with effrontery and arrogance to the extent that yesterday the Minister of Finance in Question Period said that we are going to persist with a high interest policy. The position of the Government of Canada is high interest rates. A high interest rate will keep the dollar high, the dollar will stay high and therefore our exports will fall, therefore we will have less money to pay for the $3 million an hour pouring out of this country. We are in a vicious circle. We are chasing our tail and the Minister of Finance does not deal with it in one sentence in his budget.

He does not care about the fact that this country, day by day, hour by hour, is becoming more indebted to foreign markets, to foreign banks, to foreign investors and therefore weakening our ability to be a significant independent player in international trading markets.

Is that a sense of responsibility? I go back to my first remarks that it is time Canadians knew that we needed a different kind of budget.

Let us take it one step further on the grounds that we are so deeply concerned about that international marketplace. What is the primary criteria for competition in that marketplace? Every single examination conducted by the Economic Council, the Conference Board, Bank of Canada says we must become innovative and creative. It is going to be information skills and knowledge that will allow us to compete.

What do we have in this budget? How is the Minister of Finance responding to that challenge? I will tell you how he is responding. He is responding by cutting back on higher education. He is responding by cutting back on research and development. He is cutting back on the very elements of investment that would make us strong and competitive. How can this government stand up with any nerve at all and say: "Hey, folks, we gotta become competitive, productive, smart and creative" when we are cutting back on our universities, cutting back on our research and development and totally ignoring the necessity for this country to get into the mainstream, to say nothing of totally contradicting the commitments made by the Prime Minister at the big meetings on education and the commitments made on research and development? That is what gets cut.

There is one exception and I would like to point it out. One part of the budget which still retains a large amount of funding, over $250 million, is the defence industrial productivity program to give grants to industry to make weapons, to make armaments, to fuel the arms race.

• (1350)

What are *The Economist*, the *Washington Post*, French magazines, German magazines or Russian magazines all talking about? They are saying that we are now living in an era where the arms race is coming to an end and that every country should start thinking about a peace dividend. How do we start re-orienting our budgets in this new age, to re-allocate it to training, to education, to research? How do we make the country stronger? Not by stimulating further arms investments, but given the chance for the first time in 45 years to re-orient our society, does this government understand that reality? Is there anything in this budget that acknowledges that to be the case? A defence budget of close to $12 billion; DIPP funding of $250 million.

I am not saying that we go and slash and hack away at the defence establishment. We need a policy. We should be talking about conversion. There are other things that we could be doing. We have argued now for a year, since the last budget, that there are all kinds of creative possibilities in which we can use those defence moneys. We can do it in terms of our own sovereignty, developing Summerside as a peacekeeping centre, these sorts of ideas. But the government has nothing in it, there is not a thing. So it is business as usual at a time when every other country realizes that there is a dividend to be achieved and we are failing totally in meeting that possibility.

It seems to me that there is another way, another option, another choice that Canadians could have seen in this budget that would have given us a lot more sense. We should have a creative Minister of Finance, rather than one who simply thinks that the deficit is the only thing that counts.

The Acting Speaker (Mrs. Champagne): There will be three minutes available to the hon. member after question period, should he wish to conclude.

[*Translation*]

It being 1.51 p.m., I do now leave the chair until two o'clock this day.

At 1.51 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the *Association des prospecteurs du Québec* feels that the decision of the Minister of Finance to abolish the Canadian Exploration Incentive Program is a catastrophy for the financing of mining exploration in Canada.

The APQ points out however that the Minister has chosen to maintain the flow-through share scheme which allows for 100 per cent of the exploration expenditures incurred by the corporations to remain transferable to the investors.

The APQ feels that the administrative decision of the Minister of Finance is bad, in view of the total funds invested during the program implementation and start-up period, and that this decision was not based on the cost-effectiveness and efficiency of the program.

Personally, Mr. Speaker, I know that the Minister of Energy, Mines and Resources of Canada and his officials have worked very hard to maintain this program and that this decision is simply the Minister of Finance's decision and his alone.

With all the prospectors and the mining industry of Quebec as a whole and Abitibi in particular, I will continue to strive to eventually obtain justice for them both from the Quebec and federal governments.

[*English*]

SUSTAINABLE DEVELOPMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in his single-minded pursuit of the deficit the Minister of Finance makes only passing reference in his budget to the government's commitment to sustainable development.

Three years after publication of the Brundtland Report this government has not rallied enough political will to act. For example, the Minister of Finance fails to see the importance of exempting from the goods and services tax products approved as environmental friendly, of introducing a carbon tax on consumption on fossil fuels, of changing the policy on fossil fuel megaprojects except for cutting the subsidy to OSLO, of shifting research and development funds to advance renewable resources of energy, of making a financial commitment to complete the national park system promised by the Minister of the Environment, of providing support programs to stabilize communities affected by the fisheries crisis, of strengthening Canada's research capability in the environment and so on.

In Ottawa, the gap between rhetoric and action is getting larger. Will the government ever act to implement sustainable development?

* * *

VETERANS

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I rise to condemn the Minister of Finance and the Minister of Veterans Affairs for raising board and lodging charges for veterans in long-term care and cutting services provided to the Veterans' Independence Program. These two measures will enable the Minister of Finance to raise $35 million over the next two years, coming at the expense of veterans who are already living in poverty. He ghoulishly attacks defenceless veterans.

The government says the increased charges for residential care are means tested. Mr. Speaker, the incomes test for single veterans and married veterans is half of the poverty line. Once they are over half of the poverty line they have to pay $420 a month for their food and lodging. Veterans who live below the poverty line should not have to pay more for food and lodging in government long-term care facilities. In fact, veterans should not

have to pay anything. The proposed cuts in the Veterans Independence Program is designed to allow veterans not to have to go into long-care homes. They are making their cuts, forcing veterans to go into long-care homes. Shame on this despicable action by the government.

An hon. member: Bring back George Hees.

* * *

CANADA ASSISTANCE PLAN

Mrs. Coline Campbell (South West Nova): Mr. Speaker, the budget this week took steps to dismantle another universal program, the Canada Assistance Plan. This cost-shared program provides social and welfare assistance to persons in need and many other essential social services. By bringing in a cap on the Canada Assistance Plan the government has said there is a limit to funds available for social services. The finance minister cites the high growth rate of programs in the have-provinces as evidence that the cap on CAP is needed but seems to ignore the possibility that those programs grow because the need for them grows and the federal government has entered into an agreement to provide assistance for these programs.

Having now capped CAP in three provinces, what will be needed to do so in a have-not province? Just the implementation of the government's national day care system in one province might bring the need for 50 cent dollars above 5 per cent.

In another way, the minister indirectly reduces federal CAP spending by freezing the established programs financing for all provinces. With less money in the provincial coffers the provinces will be harder pressed to generate their own contributions to the cost shared programs under the Canada Assistance Plan. This in turn will eliminate federal spending under CAP and federal responsibility to those people most in need and least able to speak out against such measures.

* * *

PRINCE EDWARD ISLAND

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, Prince Edward Island suffers a tremendous economic handicap compared to other Maritime provinces, which I attribute to the ferry crossing which effectively provides a barrier to trade, economic development and tourism.

Even before the impact of Summerside, P.E.I. had an unemployment rate 30 per cent higher than New Brunswick. It had an unemployment rate 50 per cent higher than Nova Scotia. The P.E.I. average income is the lowest in the Maritimes. Transfer payments per capita, are the highest. Youth unemployment runs at 25 per cent, which explains why so many young people must leave P.E.I. to establish careers.

I believe the only reason for these inequities is the ferry crossing. I predict that the fixed link will correct this situation, but at the same time the P.E.I. government cannot control such growth to comply with the wishes of Prince Edward Islanders.

I urge all those in favour of this project to prepare and present their positions to the environmental review panel hearings beginning on Prince Edward Island on March 19. My Amherst office will be pleased to provide assistance with any of these applications.

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SASKATCHEWAN CURLING CHAMPIONS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I rise today to congratulate the 1990 Saskatchewan Provincial Curling Champions. Tina Ford and the junior girls team will be competing in the National Junior Girls Championship in Sudbury. The Saskatchewan men's champ, Jamie Schneider, won the world junior championship in 1984, and will soon be competing in the Canadian Men's Championship.

The woman's champ is the two-time Canadian finalist, Michelle Schneider, who is representing Saskatchewan for the third time in Ottawa this week.

I take special pride in the accomplishments of these two world-class curlers, not only because they hail from Kronau and Regina, Saskatchewan, but because they are my cousins.

I wish their competitors luck. They will need it.

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WESTERN ECONOMIC DIVERSIFICATION

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I rise to decry the decline of western economic diversification under this government. When this party

was in charge of western Canada, we managed to put in $1.6 billion of economic development moneys in the early 1980s.

When this government took over we heard said: "We do not like these programs, but don't worry". Right before the last election they said: "We are going to spend $400 million".

Well check your stats today, guys. You spent $75 million. The next year the government said: "We are going to spend $253 million in the west". Well, check the stats. You got only $130 million. The next year they tell us again they are going to spend $250 million. They have walked away from western Canada.

On Tuesday, the Minister of Finance announced a decrease in transfer payments to the west of over $2 billion. So the west is now at a net loss in dealing with this government. Next time around, westerners are going to tell this government what they think of its economic development strategy.

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HYDE PARK CHEMICAL DUMP

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, recent newspaper reports say there is growing apprehension on the part of many people regarding chemical emissions from the Hyde Park chemical dump near Niagara Falls, New York. Located on the bank of the Niagara River this dump is the home of the largest single quantity of TCDD, the most toxic strain of dioxin in North America.

A recent study scheduled to be released soon will apparently show that the levels of dioxin build-up in the fish in Lake Ontario are not as significant as those originally estimated by U.S. government officials.

Many fear Occidental Chemical Corporation, the owner of the dump, will use these findings as a lobbying tool in an attempt to have regulations regarding the emissions of dioxins at the dump relaxed.

I ask the Minister of the Environment, using whatever means he can, to ensure that the U.S. government does not relax dioxin regulations at the Hyde Park dump, and in fact, remove this hazardous chemical wasteland from the Niagara River area.

S. O. 31

FISCAL RESTRAINT

Mr. David Bjornson (Selkirk): Mr. Speaker, if we want our children to have the kind of future we wish for them, we must continue reducing the deficit. Spending restraint is the key to Tory deficit reduction.

• (1410)

Since 1984 we have taken tough measures to cut expenditures. Over that period, however—in fact over the last nine years—we have allowed major provincial transfers to grow at more than the rate of inflation each and every year. The measures in this budget will limit that growth to less than the rate of inflation for the first time in a decade.

In our current fiscal situation it would not be reasonable to let provincial transfers continue to grow so much when everyone else is forced to tighten their belts. Spending cuts are never popular. The new ones we have announced are tough but they are necessary.

* * *

NATIVE COMMUNICATIONS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, by cancelling the native communication program, the Secretary of State has virtually destroyed the native print media in Canada.

The 11 newspapers, funded by the native communication program, played an indispensable role as a media of communication between native organizations and Canadians as a whole. They played an active role in promoting literacy in communities where functional illiteracy often runs as high as 40 per cent. Furthermore, they gave positive media access to aboriginal groups which are either shut out of the national media controlled by the Thompsons, the Southams and Conrad Blacks of this country or else are portrayed negatively or in a confrontational situation.

By eliminating or cutting back on grants to native media and undermining the communications ability between natives and other Canadians the Secretary of State is threatening to create three solitudes in this country rather than simply two. I call on the government to restore full funding of native communications programs and transfer funding of native programs to a

minister who does not appear to be biased against native Canadians.

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PROVINCE OF ONTARIO

Mr. Ross Stevenson (Durham): Mr. Speaker, it is almost laughable listening to the criticism directed at this week's federal budget by the Ontario treasurer and province's premier.

At the beginning of the week these same two people were announcing an unanticipated $952 million windfall from extra income tax revenues this year. Furthermore, during the current fiscal year Ontario's new payroll health tax and commercial concentration levy, which cut in on January 1, will bring the province another $560 million. Added together these new revenues will bring in more than three times the amount Ontario loses from cuts to the federal transfer payments for established program financing.

Before complaining further, Ontario's premier and treasurer might consider that since 1984 the federal government spending has been held to an average of 3.6 per cent while Ontario's spending has been racing ahead at an annual rate of almost 10 per cent. If the Ontario government is able to show meaningful restraint in its own spending there should be no need for any tax increase in the province because of this week's federal budget.

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TELESAT CANADA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, renewed talks by this government of privatizing Telesat Canada shows it is trapped in a market force ideological view. The government has failed to learn that our communication system works because it has been carefully crafted over many decades. It all fits together. You cannot remove one element, one wall from the house, without considering the whole system. Conservatives obviously have no vision for Canada except how to dismantle it. We have not seen the promised national telecommunication policy from this government in five years. Yet in this vacuum they want to turn Telesat, a cornerstone of our communication system, over to purely profit motives from its public policy mandate.

What about Telesat objectives? Are they just forgotten or traded for bottom-line profits? How could private managers justify serving small native communities? How could they resist the economic attraction of serving a U.S. market of 200 million instead? Will the government ever understand Telesat's real public policy role in research and development, like satellites and HDTV? And with risky investment under way privatizing Telesat now would be a fire sale throwaway of millions of Canadian dollars that are already invested.

There is absolutely no evidence the government has considered any of these questions. For a change it would help Canadians if government were to do a little bit more thinking and planning instead of just selling and cutting.

* * *

THE HON. HENRY HICKS

Mr. Howard Crosby (Halifax West): Mr. Speaker, on March 5, 1990, the Hon. Henry Hicks will reach his seventy-fifth birthday and retire from the Senate of Canada. I am sure Members of Parliament from Nova Scotia and all members of the House will join me in wishing him and his new bride God speed.

Henry Hicks was an educator and a lawyer in a small town in Nova Scotia who, by his own words, "degenerated into a politician". But as a politician he made his mark as Minister of Education and Premier of Nova Scotia and then went on to be a president of one of our great institutes of learning, Dalhousie University.

He continued to contribute to the public welfare with a great career in the Senate, and I know he will continue to do that in the years to come.

Let us all wish Henry Wicks Godspeed.

Some hon. members: Hear, hear!

* * *

THE BUDGET

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the federal budget contained nothing for Atlantic Canadians. There was no mention of any assistance package for those thousands of people hit by plant closures. There was nothing for the communities which are faced with extinction. There was nothing for the

future of those whose livelihoods have long depended upon the fishing resources.

It is clear that the Prime Minister's word is worth nothing. On December 13 and again on January 22 the Prime Minister made a commitment to Atlantic Canadians. He made that commitment to this House and to the people of Canada to provide programs as generous as those made available to prairie farmers.

The budget was his opportunity to demonstrate that he was prepared to assist these people. He has refused to go to meet them, and he is not prepared even to fulfil the commitment that he intends to support them.

Indeed the deep cuts to health care, post-secondary education and the myriad program cuts in the budget will have tragic consequences on Atlantic Canadians already suffering under a crisis.

When is this government going to listen? When is it going to keep its promises? When is it going to care for Atlantic Canadians?

* * *

THE BUDGET

Mr. Bob Wood (Nipissing): Mr. Speaker, my riding of Nipissing along with other northern Ontario ridings took full advantage of regional development grants. To cut incentive grants to business makes it even more difficult for northern communities to compete with our southern neighbours. We have already endured cuts to our transportation infrastructure by losing Air Canada and VIA. This is just another blow by a callous and indifferent government.

At a time when the Minister of Finance himself projects a higher rate of unemployment, incentive grants are essential for the economic development of the north.

Also of concern in my riding is the elimination of postal service review committee. At a time when many of my constituents are faced with the impact of franchising postal service and closing of rural post offices, a service review mechanism is essential. This just demonstrates that the government's only commitment to postal service is to deliver a profit and not deliver the mail to satisfied customers.

Our veterans, contrary to what the Minister of Finance said, will be affected by the cuts in the budget. They will pay $3,000 more a year for care in veterans homes.

Our veterans paid their dues when they walked into battle. When the government starts using these people to save money it has gone too far.

Now is not the time to dissolve our principles but rather to resolve our difficulties.

* * *

THE BUDGET

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, this government continues to provide the leadership we were elected to give. The government will reduce the deficit to $28.5 billion in 1990-91 and to $10 billion by 1994-95.

To continue to build a secure future for all Canadians, we must continue to reduce the deficit. That is exactly what we did.

In our latest budget there are "no new taxes". Spending restraint is the key to deficit reduction.

The measures in this budget together with those announced in December will produce cumulative savings of more than $19 billion over the next five years.

Program spending was restrained to $3.6 per cent over the last five years. That is well below the rate of inflation, and it beat the performance of all 10 provincial governments.

There is no painless way to restrain spending, but we in Alberta are willing to do our share. The expenditure reductions outlined in our budget are tough, but they are necessary.

ORAL QUESTION PERIOD

[*English*]

MAIN ESTIMATES

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have questions for the President of the Treasury Board on the Main Estimates, quite apart from the procedural matter I understand the Chair is considering.

Today, in tabling its Main Estimates, the government failed to provide detailed spending plans in the form of Part IIIs for 14 key departments and agencies covering some 60 per cent of its expenditures.

I ask the President of the Treasury Board just why has it failed to do this. Just what is the government trying to hide?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in answer to my hon. colleague, I would like to say we are not going to hide anything at all. It was done for security purposes.

Some hon. members: Oh, oh!

• (1420)

Mr. de Cotret: Part III of the Main Estimates that were directly referred to in the budget began to be printed when the Minister of Finance stood in this House to make his budget speech.

Given the number of volumes we have to print, I was able to make the undertaking this morning that those would be before all members of this House on or before March 12. It is only for security purposes.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the detailed spending plans in the form of Part IIIs have always been presented as part of the Main Estimates.

The government has presented six budgets. It knows the form and detail of the Estimates. It knows how important this information is to Canadians.

I ask the President of the Treasury Board: Is the government, in effect, now admitting its incompetence, or is it simply trying to cook the books?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the government is saying that it is maintaining the security of the whole budget process, a long-held tradition in this place and in the Government of Canada.

[*Translation*]

Hon. Herb Gray (Windsor West): Mr. Speaker, in the past, Budget security was tight, but nevertheless it was possible to table all sections of the Estimates at once. Mr. Speaker, 65 per cent of government expenditures go to these 14 departments. The government seems to know how to increase taxes 31 times, but it doesn't know how to account for two-thirds of the finances of this country! My question is quite simple: Why do we have a Minister of Finance and a President of the Treasury Board, considering that they clearly have not done their job, which was to inform the public of the details of the Budget and the Main Estimates?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, this morning I tabled Part II of the Main Estimates, which is about two inches thick and provides details on all government programs, departments and agencies. Perhaps the hon. member could consult that document, and in a matter of days, he will get the rest of the details in Part III.

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Minister of Finance. Could the Minister of Finance confirm to the House and to Canadians that in order to meet the objectives set forth in his Budget, it will be necessary to create a recession in this country? In the Budget papers he said that the first quarter of 1990 would see a drop in economic growth, which would be a negative point. Is it part of the minister's plan to ensure there is a recession, in order to meet the objectives he listed in his Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is typical of the hon. member to walk around with a little black cloud over his head looking for recessions.

We do not believe that there will be a recession. As I made quite clear in the budget statement there will be a period of slow growth, a period that is necessary to get the inflationary pressures out of the system.

As that happens we see a recovery very quickly toward the end of this year and into next year, at which time I am confident we will be back on a non-inflationary growth path that will be healthy for all parts of the country.

Mr. Douglas Young (Gloucester): Mr. Speaker, I have a supplementary question for the Minister of Finance.

The minister states that he has to create the necessary economic environment for sustained reductions in Canadian interest rates. I want to ask the minister again referring to his budget documents about the unemployment rate that will rise, and I am quoting, "throughout 1990".

Is it essential to his budget objectives that unemployment rise in Canada during 1990? Does he have to ensure there is unemployment in order for his budget to have any chance of success in reaching its objectives?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let's put this into perspective. When we came into office in 1984 the unemployment rate was 11.7 per cent.

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I hear groans on the other side of the House. I know they don't like to be reminded of the bad old days, but that is a fact.

Mr. Mulroney: Liberal days.

Mr. Wilson (Etobicoke Centre): Over the course of this year and into next year we do expect that there will be some increase in the unemployment rate, but the underlying employment will be growing. It is just because the growth in the labour force will be faster than the growth of employment. That leads to some increase in the unemployment rate, but this is going to be just this year and into next year.

Through this whole period there will be an increase in employment, unlike the substantial drop in employment, the huge drop in employment we saw in 1981 and 1982.

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FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, just moments ago the Minister for International Trade announced that an agreement has been reached allowing 20 per cent of B.C. herring and salmon to be exported to the U.S. prior to landing in B.C., for this year; for the next three years, 25 per cent; and then further review.

Some hon. members: Shame, shame!

Mr. Stupich: The minister and his colleagues have repeatedly said that no jobs "historically established" would be lost as a result of any decision reached under GATT or under the free trade agreement. Would the minister mind explaining exactly how Canada can allow up to 25 per cent of our total catch of fish to be exported before processing without losing processing jobs in Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member has not advised the House that while this agreement may pose some difficulties it is a necessary agreement in order that Canada can live up to her international trading obligations and maintain access to our markets.

All Canadian fish, salmon or herring, are caught by Canadian fishermen. We have the most competitive processing industry in the world if we were to hear the workers and processing companies talk. Therefore they are just going to have to sharpen their pencils and keep being competitive.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a supplementary question for the same minister.

This agreement totally breaks all the promises made by this minister, previous ministers, the Minister for International Trade and the Prime Minister.

How does the minister intend to monitor the repercussions of this ludicrous agreement? How is the minister going to count up to 25 per cent of an unknown quantity when he knows that currently fish are being landed secretly? He knows this cannot be policed.

We have given in more than the free trade panel recommended. It said up to 10 per cent or maybe 20 per cent. Now we are going up to 25 per cent for four years, and after that who knows how high? How much more are we going to give to the U.S. just to get it to accept our largess?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member is not telling the House that under the recommendation of the panel 10 per cent to 20 per cent of the product could be exported uninspected.

Under this arrangement 100 per cent of all salmon and herring caught in Canadian waters will be subjected to examination, counting, and weighing by Canadian fisheries officers on Canadian vessels.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a question for the Prime Minister.

The Minister for International Trade sold out Canada on the softwood issue. With respect to the fisheries we

have given up control of the resource: 20 per cent for the first year, 25 per cent for the next three years, subject to review after that, and who knows how high it will go.

Will the Prime Minister give up this Minister for International Trade before he gives up total control of all resources in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure the falsehood is inadvertent, but it is simply false for the member of the New Democratic Party to say that we have given up control of our fishery.

What we have done with this agreement is asserted control of our fishery by ensuring that conservation practices and standards of this country will apply to at sea as well as other catches.

• (1430)

In reply to the other question, this problem began for Canada with a GATT ruling. I assume that the New Democratic Party, which claims to believe in the importance of international agreements, believes that Canada should accept the rulings and the jurisdiction of GATT. That is where the problem began. We lost a decision before GATT. That was settled some years ago.

As my colleague the Minister of Fisheries and Oceans just said, there was a panel recommendation that would have been less favourable to Canada than the agreement which was concluded today and announced by the Minister for International Trade.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the same minister. He has just made an attempt to correct the members of the NDP. Perhaps he should correct his own explanation of the facts.

This problem did not begin with the decision of the GATT, this problem began when this government gave up the right to impose an export tax under the free trade agreement. That is when we gave up the right to protect Canadian interests. That is when the problem began, when the right of Canadians to protect themselves with an export tax which is legitimized by GATT was given up. That is the truth, that is the fact and that is why this government is sacrificing thousands of fish processing workers on the west coast.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have heard the hon. member's indignation. His facts are wrong. Does he have question?

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, what is wrong is the stand this government took to capitulate to the United States and giving away our west coast fishing.

I want to ask the minister this question. How can we stay credible when we just gave away to the Americans on the west coast what we are objecting to the Europeans taking on the east coast? How do we argue with the Europeans that they are taking one-quarter of our catch of cod on the east coast when we just gave it away to the Americans on the west coast? You have lost your credibility, you have lost your legitimacy and you are losing jobs for Canadians.

Some hon. members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, you and I came to this House at the same time and we have noticed that one of the things that has happened is that increasingly Question Period is used for people to make dramatic accusations rather than put questions. That is what the hon. member has just done. He is wrong in his facts about the agreement. He is wrong in his suggestion with regard to the situation.

Mr. Axworthy (Winnipeg South Centre): State what the facts are. You surrendered this country. That is what we find.

* * *

[*Translation*]

THE BUDGET

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the Minister of Finance. The Budget has provoked some strong reactions, and I would like to quote the Quebec Minister of Education, Claude Ryan: "I think it is absolutely deplorable that the federal government has further reduced its commitment to postsecondary education". "There is a deplorable contradiction between what it says and what it does".

How does the minister intend to respond to these words, coming from a politician who is an expert on education?

An Hon. Member: Good question!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, federal-provincial transfer payments have not changed. These transfer payments may be spent at the provinces' discretion. The transfers are limited to a growth rate of 3 per cent. The growth rate of federal spending is also limited to 3 per cent. We have asked the provinces to share these restrictive measures, in the same spirit as the federal government.

We have also made a distinction between higher income provinces, such as Ontario, Alberta and British Columbia, which will receive a lower increase, and provinces like Quebec, which benefit from equalization payments. I think our policy in this respect is very fair, and I think the issue is important enough to ask the provinces to share a national solution in dealing with a national problem.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, does the Minister of Finance not realize that he is committing a sin of omission in cutting government funding, which is also vital and fundamental for the future of our youth, who are really the future of our country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I understand that if we do not reduce the deficit, it will be a big problem for our youth. It is very important for the future of our country and for the future of our youth to lower the level of the national debt. This government has a policy to reduce the national debt and a big part of this problem is reducing the annual deficit and asking the provinces to take part in solving this national problem.

* * *

[*English*]

MAIN ESTIMATES

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the President of the Treasury Board said that the despicable contempt with which parliamentarians were treated this morning in a lock-up, in which we had half the amount of room we needed and half the resources required and denied 14 of the key departmental estimates, was as a result of budget secrecy. Some secrets. I do not blame him for wanting to hide the secrets from the glare of publicity.

Mr. Speaker: I would ask the hon. member to put his question.

Mr. Howard McCurdy (Windsor—St. Clair): My question is: Will the President of the Treasury Board provide us with the secrets and explain the cuts in drug addiction funds when we have a drug strategy and cuts in grants to multicultural and ethnocultural organizations when we have a problem of tolerance steadily growing in this country? Will he provide us with the details of those 14 departmental estimates we have been denied up until now?

Hon. Robert de Cotret (President of the Treasury Board): Absolutely, Mr. Speaker. We will provide the 14 documents. I explained very clearly that the reason they were not available this morning was because we wanted to preserve the security and integrity of the budget.

I indicated clearly in this House this morning that those documents have been in the printing process since the Minister of Finance stood in this House and will be available to all members of the House on or before March 12.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also participated in the lock-up this morning that was such a farce. When I left that lock-up, I received calls from women's organizations in Newfoundland, the Yukon and Quebec.

Mr. Speaker: That may all very well be so, but I want to know what the question is.

Ms. Dawn Black (New Westminster—Burnaby): My question is this: The information on the cuts to women's programming is public information. The women's centres in this country know that their program funding has been cut 100 per cent. Will the Secretary of State please tell us what other cuts will be made to women's programming? Violence against women is a crisis in this country. These are the centres that provide information and support to women. They tell me they have been cut 100 per cent. Will the minister confirm that?

• (1440)

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, there is a plan in place to provide for our future security and prosperity. The deficit is being addressed. That is what we are concerned with. It hurts when we have to say to any group in the nation—

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps the minister would finish his answer.

Mr. Weiner: Mr. Speaker, it pains us to have to say to anyone that we cannot give them as much as they need. Maybe there are some other sources of funding that might be available to groups. We have been very supportive of all of their initiatives and will continue to work within our program to see that they get as much help as we can give them.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Finance.

After abolishing the Canadian Exploration Incentive Program, will the government take special measures to help mining communities in Abitibi, Quebec and Canada affected by the cancellation of this program?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member is aware, we talked about this. I am very much aware of his concern and interest in the particular issue.

We are concerned about the impact of this on the communities in the north. We have programs in place through the Department of Employment and Immigration and the Community Futures Program as well as another program that deals with this type of situation. These will be fully available to communities in the north in order to ensure there is the easiest possible transition.

I should also note, Mr. Speaker, that there are grandfathering arrangements which will provide for a gradual reduction in the flow of funds from this program during the course of this year.

Ms. Mary Clancy (Halifax): Mr. Speaker, this budget has driven a knife to the heart of the Secretary of State women's programs. We have seen a 20 per cent cut to the Canadian Research Institute for the Advancement of Women, a 100 per cent cut to *Le Centre des femmes du Québec* and a 100 per cent cut to the Centre for Canadian Women's Studies. My question is to the Minister of Finance. Maybe he can tell me if the Secretary of State can't. When will the minister end this institutionalized discrimination and stop this male chauvinist cut of a budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my colleague has stated quite clearly that we are sensitive to the needs of women's organizations and other organizations that are affected by this budget. We are quite aware that we are asking organizations to share with us in dealing with a major national problem.

It is very important for us as a country to get the level of interest rates down. To do that we have to get the level of inflation and the level of the deficit down. That does not happen just by wishing it to happen. Everybody has to share in some reduction in the level of funding for various programs.

Yes, these programs are affected as are a number of other programs. I think that Canadians as a whole understand the importance of this. I hope that they will be able to accept the reasoning why we have had to take these decisions.

Ms. Mary Clancy (Halifax): All I can say, Mr. Speaker, is I hope that the battered women across Canada understand why these groups have to take a 100 per cent cut in funding. I hope that the families and friends of the students in Montreal who died because violence against women is accepted in this country can accept this.

Some hon. members: Oh, oh!

Ms. Clancy: When is the minister going to realize that women cannot wait, that they cannot accept his budgetary cuts on their backs?

Some hon. members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the statement which the hon. member has just made is absolutely outrageous. It should not be made in a place like this, and she knows it.

Some hon. members: Hear, hear!

Mr. Wilson (Etobicoke Centre): If she can show any program that is being cut by 100 per cent—

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Well, now I see the hon. member who just made the outrageous statement laughing her head off.

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Now this is something that demonstrates the duplicitousness of people on the other side of this House. We have made it quite clear

what our policy is. This government has been very sensitive.

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of Veterans Affairs. This government is now attacking veterans by cutting back. In 1985 the government doubled the board and lodging rate for vets. By 1991 it will be almost doubled again for over 1,500 veterans.

The Leader of the Opposition and I met with Legion members this morning. I quote a Korean War veteran: "These guys put their lives on the line, and I think it is a damn shame and a sin that the country doesn't take care of them now". Does the minister believe his cuts meet the test of fairness? How can he justify using our veterans as targets for the deficit cutting shooting gallery?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, the changes that were made by the government with regard to veterans programs were done in consultation and after consultation with veterans organizations in Canada. I want to read one of the lines from one of the veterans' groups since the hon. member read one. It says:

> It is obvious that some changes had to be made—because the DVA rate was too low—

They go on to say:

> Having studied a large number of case histories of this nature, I had to come to the conclusion that the only statesman-like approach for veterans would be to accept an increase in the rate charged by DVA—

An hon. member: Who wrote the letter?

Mr. Merrithew: This is by Cliff Chadderton, who happens to be chair of the War Veterans Council and is executive director of the War Amps of Canada, the Legion.

Some hon. members: Hear, hear!

Mr. Merrithew: Mr. Speaker, the Royal Canadian Legion as well has made public statements recommending the changes. They understand the need for changes because they correct inequities in the program.

Let me tell hon. members: We have the best programs for veterans in the world, and we are going to do more this year.

Some hon. members: Hear, hear!

Mr. Rex Crawford (Kent): Mr. Speaker, it must be a small world. The minister has said vets will only have to pay if they can afford it. However, if all 1,500 vets affected paid the full amount for 1990 and 1991, it would be $5.4 million less than the government says it will save over that two-year period. Why has this government decided that veterans who through this century have fought for Canada in three wars have not given enough? Lest we forget. Is this not a betrayal?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, as we mentioned yesterday, and we mentioned it publicly, all of these charges for board and lodging are subject to income testing. In other words, the people in hospital for their disability will pay nothing. They will pay nothing in the future. With regard to those people who are on War Veterans Allowance or any of the other incomes which we pay these veterans, I can tell you that we will guarantee that there will be $1,185 a month reserved for them in a case of a married veteran and spouse, and there will be allowances as well for their personal needs.

Let me state that our veterans will pay the lowest rates in Canada now and will pay the lowest rates in the future.

Some hon. members: Hear, hear!

• (1450)

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, in 1988 social programs were a sacred trust, according to the Prime Minister. In 1989 the finance minister promised that money for health and post-secondary education would continue to rise higher than the rate of inflation. Now the Minister of Finance and this government has shattered both those promises, both those commitments to Canadian.

My question is directed to the Minister of Finance. What happened to the national dream, that no matter where you live in Canada, no matter what your financial resources, you are entitled to the same quality of health care as everyone else? Why should the finance minister and his pampered Bay Street buddies have the best health care money can buy, while the less well off Canadians have to settle for less?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this government is, has been, and will be committed to the best health care program that we can

have in this country. That has not been changed by this budget.

We have asked the provinces to share in the solution of a national problem. The transfers that we make to the provinces are not for health care, or post-secondary education. They are unconditional transfers. It is up to the provinces to decide how they want to spend that money.

However, in making the changes we have been sensitive to the financial strength of the provinces. Provinces such as Ontario, Alberta and B.C., who are fiscally stronger, have been limited to a growth rate of about 2.25 per cent next year. The less strong provinces, such as the Atlantic provinces, will have a growth rate of about 4 per cent. But the average for all the provinces is 3 per cent and the average for the total program spending of the Government of Canada is 3 per cent.

We are not asking the provinces to do anything more than we are prepared to do ourselves. In fact, the other spending reductions that we have made represent a far greater adjustment in our spending than we are asking of the provinces themselves.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the Minister of Finance should listen to his own words about compounding interest. What is going to happen in this country in the next five years is $7 billion is going to be cut out of health care. That is after 88 per cent of Canadians told this minister not to cut funding to health care and post-secondary education.

In this budget 70 per cent of the—

Mr. Speaker: The hon. member will put his question.

Mr. Axworthy (Saskatoon-Clark's Crossing): Mr. Speaker, in light of the 70 per cent of this budget being cuts to the sick, students and the poorest in Canada, why does the Minister of Finance not pick on somebody his own size? Why does he not pick on somebody who can fight back?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the provinces who we have asked to make this adjustment in their spending are quite capable of speaking for themselves. Some of the provinces have acknowledged that we do have a deficit problem, that we do have a debt problem and that we must deal with it. They understand the way that we have to deal with it, even though my hon. friend might not be able to deal with it.

Let me ask him to consider this one point. We cannot ignore this debt problem and what could happen if we do not deal with it. Consider the debt that this government took on in 1984 from the previous government. It was $185 billion. Eighty per cent of the deficits that we have incurred since 1984 have been simply interest on that debt. Surely that is a clear enough message to him that if we do not deal with this problem, we are going to get overwhelmed by debt and that is something—

Mr. Speaker: The hon. member for Beaver River.

Miss Deborah Grey (Beaver River): Mr. Speaker, after last year's budget I requested an analysis of the government's revenue and expenditure patterns by province, and was told that that simply was not available. This kind of analysis is essential. The government says its spending cuts will allow the Bank of Canada to reduce interest rates. But this is true only if the greatest cuts are in the regions of highest inflationary pressure.

My question is for the Minister of Finance. Will he agree to table a regional analysis of the government's revenue and expenditure patterns for this year's budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what my hon. friend is really voicing is a sense that people have that this budget is going to be hard on this part of the country or that part of the country.

Let me quote from Jeffrey Simpson this morning. He gave some sample headlines from across the country. He wrote:

> B.C. battered by Wilson's budget—The Province in Vancouver. Alberta pays Wilson's tab—Budget hits Saskatchewan hard—
>
> In Central Canada—$3-billion cuts hit hardest at Ontario.

The same in Quebec and so on throughout the whole country.

I think the important message here is that most parts of the country feel that they have been asked to carry a share of the burden. That says to me that we have allocated that burden in a fair way.

Miss Deborah Grey (Beaver River): Mr. Speaker, if such were the case, then I should think it would be very simple to table an analysis of regional spending.

This analysis is essential so that Canadians can see whether these cuts are fair. For example, utility tax transfers to Alberta have been simply frozen in this budget. Will the Minister of Finance confirm that just days before this budget he increased tax transfers to the Ontario treasury with a voluntary payment of $90 million in payroll taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am aware that the position of the Reform Party of Canada has been to cut spending.

We have cut spending in this budget. I cannot understand why my hon. friend is not standing up and saying this is a good budget, if she is supportive of the fact that we have taken the bull by the horns, that we are getting spending down, and that we are going to continue to get the deficit under control.

* * *

THE ENVIRONMENT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, in the absence of the Minister of the Environment I have an exciting question for his parliamentary secretary.

Although the fixed link to P.E.I. will have a major economic and environmental impact on my riding, there are no hearings scheduled for this part of Nova Scotia at all; only Westmorland County and Pictou County on the other side of us.

Will the Department of the Environment support an application to correct this oversight and hold hearings in Cumberland County to assess the impact of this tremendous project in our region?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as most members of this House understand, the very essence of the EARP process is the independence of the panels which are constructed to hold public hearings throughout the area affected.

Consequently, it would be very inappropriate for the minister to direct the panel to hold hearing in any specific community.

However I will certainly convey to the panel the interest of the member and ensure that it gives very serious consideration to his request.

* * *

PETRO-CANADA

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I had intended to put a question to the minister of energy. In his absence, maybe the Prime Minister would consider responding to it. It has to do with the PetroCan privatization, but it is larger than the privatization question.

Now that PetroCan is on the auction block, how will we maintain an adequate Canadian presence in the oil patch and ensure adequate Canadian participation? Even more to the point, who will develop frontier oil and gas reserves now that the Prime Minister's and the minister's own advisers say that we desperately need them if we are not to become too heavily dependent on foreign supplies again?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, in the absence of the minister of energy, I would be happy to answer this question.

Petro-Canada is just one of the players in the frontiers as the hon. member knows. There are many oil companies in the frontier doing exploration work and have in fact found now known reserves of over a billion barrels of oil.

These various companies are in partnership with PetroCan. As the hon. member knows, it is extremely expensive to be exploring and to be developing these resources. Consortiums are formed. This will carry on through the policies of the ministry of energy. Nothing has changed in that way whatsoever.

Petro-Canada will play a role in that and will maintain its strong Canadian ownership and Canadian presence in the frontier.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I thank the minister. He demonstrates that he knows lots about privatization and nothing about energy, which is why I would hope the Prime Minister would tell us the answer to another very specific question.

Point of Order

We know that in this one that the big winners are his buddies on Bay Street. They will make a couple of hundred million. The losers are Canadians—

• (1500)

Mr. Speaker: May I ask the hon. member to put his question, keeping in mind the time.

Mr. Simmons: Mr. Speaker, I want to ask the Prime Minister this. Can he tell us whether there are other casualties? In particular, can he assure us that the privatization of PetroCan in no way delays or jeopardizes the Hibernia development off Newfoundland?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker—

Mr. Simmons: Wilson's not interested. That's what they're saying back home.

Mr. Speaker: If the minister wishes, he has the floor.

Mr. McDermid: Mr. Speaker, the hon. member is yelling. He is not interested in the answer so he is not going to get one.

Mr. Simmons: You scum! You give scum a bad name.

Mr. McDermid: Don't be so god–damn stupid, Roger.

Some hon. members: Oh, oh!

Mr. Speaker: The hon. member for London East may ask a single question.

* * *

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance.

The waiting lists for social housing are scandalous. In Toronto there are 20,000 people on a waiting list. In Vancouver there are 5,000. In New Brunswick there are 20,000. In Montreal there are 20,000 people.

How long do these waiting lists have to get before this government wakes up and realizes that we need more housing for the homeless, seniors, single parents and the working poor, not less? Why has this government cut the social housing budget by 15 per cent this year?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, obviously the situation with respect to and the need for social housing is one that is of great concern to this government, the Minister of Finance and myself.

It is also something that is of concern to knowledgeable Canadians in the field of social services. They are particularly aware of the problems that we are having with the budget.

A few months ago I received a letter from the Executive Director of the Family Services Association of Metropolitan Toronto in which he said: "It should be evident to most Canadians that 31 cents interest on each tax dollar is an unacceptably high price to pay for current government operations and programs. Furthermore, allowing the deficit to grow—"

Mr. Speaker: That is a very thoughtful letter. I am sure it could be given to the hon. member.

The hon. member for Edmonton East may ask a single question.

* * *

PETRO–CANADA

Mr. Ross Harvey (Edmonton East): Mr. Speaker, under Article 1602 of the free trade agreement, the 25 per cent ceiling on foreign shareholdings the minister responsible for privatization proposes to set on Petro–Canada can never be lowered ever. It can only be raised.

Will the minister agree that there is absolutely nothing in his proposals to prevent Exxon, for example, from securing anywhere up to 30 per cent of Petro–Canada's shares through itself, its subsidiaries and associates and thereby effectively controlling Petro–Canada?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the hon. member is entirely wrong. When he sees the legislation before the House he then will understand that that would be entirely impossible.

* * *

POINT OF ORDER

STANDING COMMITTEE ON FINANCE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise on a point of order.

A week ago a question of privilege was raised by the hon. member for Nickel Belt in connection with a meeting of the Standing Committee on Finance on Thursday, February 15.

I have read over the transcript of that meeting. Apparently I suggested that the hon. member for Nickel Belt might be expelled from the hearings. Apparently that is not possible or proper. It did, in a way, reflect upon the hon. member for Nickel Belt.

I want to apologize to the House and to him for that insinuation.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to say to the member for Mississauga South that I certainly accept his apology.

I also want to say that I have read over the transcripts. I have said a lot of things about the hon. member. I would like to withdraw anything I said that in any way reflected on the calm, cool personality of the chairman of the Standing Committee on Finance.

Some hon. members: Hear, hear!

Mr. Speaker: Hon. members will know that this will make it unnecessary for me to say anything about either of the two hon. members.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I raised with you by letter earlier today a question of privilege. Since that time, as a result of something that was said during Question Period, I must raise another question of privilege.

While I was questioning the Secretary of State, the member for Burlington called me a fishwife. I think that that is unparliamentary. My question was a serious one. It should be taken very seriously by the government.

I do not feel at all comfortable being called a fishwife. I think it is wrong.

I would ask you, Mr. Speaker, to act on this matter. I would like the hon. member to withdraw the comment. It was heard on the television sets across this country as well.

Some hon. members: Shame!

Ms. Black: Mr. Speaker, my second question of privilege—

Mr. Speaker: If the hon. member will let me deal with the first question, I will do so. Then I will immediately recognize her again on the second question.

Does the hon. member for Burlington wish to respond?

Mr. Bill Kempling (Burlington): Mr. Speaker, I do not recall directing a comment of that kind at the hon. member. I do not even know the question she was asking. I was not paying any attention.

However, if she thinks the comment I made was meant for her, I will withdraw it.

Ms. Black: That is a gracious response.

MAIN ESTIMATES

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I will continue to my second question of privilege.

This morning I was in the lock-up sponsored by Treasury Board to inform members of Parliament in a secure environment about the Estimates and how they would impact on various departments.

When I asked specific questions on the impact of the cuts to women's programming, I was told that that information was not available and would not be available for approximately a week and a half. I asked specific questions about that program, about multiculturalism, native affairs and programs for visible and minority women.

I was told the information was not available. I left the lock-up after spending an hour and a half in there. I returned to my office one minute later and received phone calls from women's organizations from the Yukon, British Columbia, Quebec—from almost every province. The people calling were telling me they had been informed that their funding had been cut 100 per cent. I received calls from CRIAW and other women's organizations telling me their funding had been cut 20 per cent.

It is obvious to me that this information was available. It had been made public. Yet it was withheld from members of Parliament.

Speaker's Ruling

That is a breach of my privilege as a member of this House, as well as a breach of the privileges of other members.

I would ask you to review this matter, Mr. Speaker, and to rule on it.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, Subsequent to the comments by the hon. member, I would ask that my request concerning a question of privilege be withdrawn. It was one which I issued last week.

Mr. Speaker: I thank the hon. member for that intervention.

The hon. member for New Westminster—Burnaby has raised a question of privilege. I understand no one else is rising on it. I will take the matter under advisement and report back to the House.

* * *

POINT OF ORDER

REQUEST FOR TABLING OF DOCUMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, during Question Period today the Minister of Veterans Affairs quoted from a document in his hand, a document which I believe was a communication from the president of War Amputations of Canada.

I would ask that following the normal processes of this House the minister be asked to table that document so that it will become a matter of public record.

• (1510)

Mr. Speaker: The hon. member for Thunder Bay—Atikokan has raised a point with respect to a letter which the hon. minister was reading. Perhaps I was too hasty, but I interrupted the hon. minister with the suggestion, I think, that rather than read it, it could be sent across to the hon. member who had asked the question.

In any event, I understand that the minister is more than prepared to table the letter. I will accept that, of course.

Mr. Angus: Mr. Speaker, I have just been advised that also during Question Period the minister responsible for housing quoted from a document, a letter from the United Way, and I ask that that be tabled as well.

Mr. Speaker: Perhaps colleagues on the government side could take that request. If necessary, the hon. member can raise it again with the Chair.

The hon. member for Halifax is rising, I think, on a question of privilege.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise on a question of privilege relating to an exchange and a response from the Minister of Finance during Question Period.

In responding to my supplementary question, the minister suggested and insinuated that I was laughing at the extremely serious situation relating to violence against women in this country.

This is not the first time that the hon. minister has so characterized members on this side of the House, myself among others, particularly when we have not had the opportunity of responding when it is indeed a supplementary question.

I think this is an extremely serious matter, particularly given the exigencies of television coverage in this House and the fact that our responses cannot be seen. I feel my privileges have been breached. I would ask that you, Mr. Speaker, review this matter.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I take the point my hon. friend raises. I would ask that if you, Sir, are prepared to do that, that you also examine the record. You will find that the member who makes the complaint suggested immediately thereafter that the Prime Minister was laughing.

Ms. Clancy: He was.

SPEAKER'S RULING

Mr. Speaker: I think that the point raised by the hon. member for Halifax illustrates a problem in this Chamber that we have sometimes, not all the time.

I may be able to review both *Hansard* and/or the tapes. If the minister was on his feet, with the television coverage which we have in this place there is no way for me to be able to use that to assist in seeing whatever the hon. member was doing. I will not be able to do that.

I think the proper approach to this is to say simply this. It applies to both sides of the House and it applies at all times. This is a place of free speech. It is a very vigorous place; it is not a tea party, and I have said that before. It is an adversarial forum. That is what preserves our freedoms.

However, in the process we must be conscious of not only the feelings of each other but the implications that go with remarks we make outside this Chamber as well. I know that all hon. members would want most of the time, except when they sometimes become forgetful, to maintain that.

I think that is the only response that I can give the hon. member for Halifax. I regret the matter. But there is no way I can review it from an evidentiary point of view.

I do ask all hon. members to conduct themselves in such a way that complaints like this do not have to be brought to the Speaker.

I thank the hon. member for raising the matter.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to rise on a point of order and ask the usual business question.

In particular, I would ask the government to indicate to us what business it intends to call for tomorrow.

Second, is the government prepared now to give its answer to the question asked by my colleague from Ottawa—Vanier as to whether or not Parliament will be sitting next week pursuant to the suggestion of the hon. member for Ottawa—Vanier. If so, will we be considering the budget next week in the manner in which the member for Ottawa—Vanier suggested?

In the unlikely event that we are not sitting next week, perhaps the minister could indicate what business he intends to bring forward when Parliament does resume after the one week recess.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, first, I would like to advise the House tomorrow at 10 a.m. we will commence debate on Bill C-56, the Small Business Loans Act. That is the only piece of government business we have for tomorrow.

After Routine Proceedings I have suggested to the opposition parties that we will be raising a point of order on the Message from the Senate with respect to Bill C-21.

On Monday, March 5, Tuesday, March 6, Wednesday, March 7 and Thursday, March 8, the week of March when we return, we will be debating the budget motion.

I did attempt to reach my colleague, the House leader for the opposition, who suggested that the Liberal party would be prepared to work next week rather than to adjourn, but he was on his way to the airport and/or in Paris and then on to Greece.

Mr. Boudria: He's not going to Greece.

Mr. Lewis: I did not get into long distance calls to try to reach him to see if he wanted to come back to work. In case my hon. friend is talking to him by long distance telephone, or perhaps communicating with him by telegraph or fax to a foreign country, he might tell him that we will take next week off as agreed because we want to go back to meet our constituents.

Members of the government party will be in our ridings meeting with our constituents. We will also try to cover Ottawa—Vanier in the hon. member's absence.

Mr. Boudria: Mr. Speaker, just so that the House and indeed all Canadians are aware, the hon. member for Ottawa—Vanier is out of the country until Monday night. He is out of the country on government business replacing the Deputy Speaker of this House. He will be back on Monday night.

Of course, Mr. Speaker, the House will know that the hon. member for Ottawa—Vanier probably has an attendance record here which is unmatched by anyone, including the minister who just made those unnecessary remarks.

Mr. Speaker: My attendance record is pretty good.

Some hon. members: Oh, oh!

Speaker's Ruling

POINT OF ORDER

REQUEST FOR TABLING OF DOCUMENT

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to ask a point of clarification. It is because somebody on the other side said that I was wrong. When the member asked for the tabling of the document that had been read, it seems to me, Mr. Speaker, you said that it should be exchanged with the member. I do not know why it would not be tabled and then be here for everybody to see.

My second point is that there should be some explanation as to why a document was brought into the House so that the minister could depose it in the House. I was here. I watched that. I understand the rule is that if anybody is reading from a document, then it is fair game and should be placed before the House. That is something that goes back for many, many years. Maybe that is something that has changed.

In this case what we had was the Minister of Veterans Affairs read a letter. We had another member who asked that the document be tabled. At the same time we had to wait for someone to bring him in some paper which he then tabled.

Mr. Lewis: He was out.

Mrs. Campbell (South West Nova): I am saying that he was sitting there when someone brought in the paper to him, whatever it was. That implies, for whatever reason, that he was not ready to table the document in the House.

• (1520)

I am just saying that there are two points here. It is very important we not forget that when you are reading from a piece of paper, that is the paper the person should be tabling in the House.

Maybe I misunderstood, Mr. Speaker. It seems to me you said to exchange it with the other member. I think it should be tabled.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. minister was out of the House. Often ministers will quote either from an excerpt from an official document, which has been placed in their briefing notes, or from the entire document. I happen to think that in this case the minister actually had the entire letter.

I know that ministers leave the House and discuss matters with their aids. He came back in an effort to clear up the situation.

There is no question that the government has on record support from the War Amputations of Canada and from the Legion support for the government's programs. We would be glad to put that on the record. Having heard this exchange, I am sure that the minister will be able to put on the record and table in the House exactly the documents he used that are official.

SPEAKER'S RULING

Mr. Speaker: The hon. member for South West Nova has raised a point with respect to documents that are referred to by a minister in answering questions or members. The rule is as she quotes it. In such a case the minister ought to table the document and certainly will have to if called upon to do so.

I may inadvertently have said something that led to some confusion. Without in any way denigrating the content of the minister's reply or the seriousness of the question and the answer, I felt that the minister had gone on too long. I interrupted him and said: "Perhaps that is enough. If you want the hon. member who asked the question to see the letter, then perhaps you can send it across the aisle," or words to that effect.

That may be where the difficulty arose. I have to say that I interrupted the hon. minister because I thought the hon. minister was going on too long.

Immediately afterward I think the hon. member for Thunder Bay—Atikokan rose, and I think I am correct, and asked if the minister would table the letter. I said that was appropriate and the minister did.

The point the hon. member makes is correct. The practice has always been that if letters or documents are read then those should be tabled.

I think I may have contributed to the confusion. I was only attempting to move things on so that more members would be heard.

I thank the hon. member.

MAIN ESTIMATES

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise on a point of order with regard to the Estimates that were tabled this morning.

I note that in Part III of the 1990–91 Estimates for Agriculture Canada in Figure 2, page 1–7, we have a very strange and I think somewhat misleading set of data which are very hard to credit. I think it leaves an extremely wrong impression concerning the appropriations by the government to the portfolio of agriculture.

I would like to refer you, Sir, to that table. I know you do not have one in front of you at the moment, but if you would look at the radical change that has occurred in the accounting procedures I think you will find that it leaves a very wrong impression with the House and with members who are attempting to deal with government Estimates.

Specifically, what the government has done is in the non-budgetary appropriations concerning the Farm Credit Corporation it has increased its share of the principal contributed to the Farm Credit Corporation. Our understanding is that the Farm Credit Corporation may then lend 25 times that amount.

For years the government's appropriation to that corporation has been shown as being the amount of funds that the government has contributed. But for this year and for last year they have suddenly decided to come up with some wildly inflated figure which they say is the revised maximum allowable borrowing levels of Farm Credit Corporation. That is very easy to do in the print, I am sure. But when you look at the table you are left with the misguided perception that the government is appropriating something like $27 billion to the Department of Agriculture and Farm Credit Corporation—

Mr. Speaker: The hon. member for Mackenzie may well have a complaint. I find it very difficult to find that it is a point of order that I can address.

Having heard the matter that has been raised, which is of course a serious matter, perhaps the hon. member could have a discussion with someone on the government side and the matter could be resolved. I do not think it is something that as Speaker I can resolve.

Mr. Althouse: I realize you cannot resolve it, Mr. Speaker, but it almost fringes on privilege if members of Parliament whose duty and main job it is to look at the government's expenditure plans have a very great deal of difficulty in doing that, especially if the expenditures are presented in a way that is not of sound accounting practice and is quite misleading.

SPEAKER'S RULING

Mr. Speaker: I understand the hon. member's concern. Again, I do not think it is a point of order.

The hon. member can of course pursue the matter in the appropriate committee, and perhaps he will do so.

A great many documents are produced in this place. Over many years I have heard abundant complaints about a good deal of them. I suppose that applies to both sides of the House sometimes.

However, the hon. member has aired his complaint. Other members have heard it. Perhaps it will be resolved.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government; and on the amendment of Mr. Young (Gloucester) (p. 8636), and on the amendment to the amendment of Ms. McLaughlin (p. 8644).

The Acting Speaker (Mrs. Champagne): When the House rose the hon. member for Winnipeg South Centre still had three minutes remaining.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, what I was trying to present during the lunch period was the need for an alternate budget, a different way of looking at the economic and social landscape of this country. I tried to present a number of different and alternate ways in which the government could have organized a different direction for this country.

For the last three minutes let me just concentrate on perhaps one area in which we have agreement. I have heard the Minister of Finance say many times, and I agree with him, that the ultimate test is for the children. He talks often of how the financial deficit affects

children and how we do not want to burden them with debt in the future. I think we all agree with that.

I also want to raise other deficits that our children are facing. How many children in this country are facing a deficit of poor housing, children living in substandard conditions in our inner cities? How many of our Indian children are still on the reserves sniffing glue in northern Manitoba? How many children in this country are facing the prospect of their fathers and mothers being unemployed and not being able to collect unemployment insurance any longer? Perhaps the only job prospect is facing a move to Toronto, Montreal or Vancouver to get a job where they do not have a prospect of growing up in their own regions.

The question of deficit is not just one that you account in fiscal terms. You account it in terms of the enormous gaps and vacuums and the real serious mortgaging of our future in terms of our environment, in terms of our conditions of our cities, in terms of the social conditions that our children face.

When we talk about a million children in poverty, those are a million individual cases of tragedy. More than that, those are the children who should be tomorrow's engineers, scientists, doctors, politicians and journalists who will never be there, who will never even get to the starting gate because we are cutting back on their education, health care and housing.

• (1530)

This country is going to be desperately in need of highly skilled and highly trained young people in the future. However if at the very beginning because of a lack of proper day care, support, treatment and abuse centres, all of which have been attacked in this budget, children are not even given that chance, this country will face the worst deficit of all, and that is a deficit of human talent, human creativity and human ambition. That is the real deficit we face which this budget has in no way addressed. The budget is a great failure in that it does not come to grips with the underlying reality of this country.

This year the United Nations ratified the declaration of the rights of children. We were party to that declaration. It says: "The states party to the present convention recognize the right of every child to a standard of living adequate for the child's physical, moral, mental and social environments".

We are flunking that test. This budget flunks the test. We want to offer Canadians an alternative way, a better choice, another way of deciding how we will give direction to this country in searching out answers and solutions to its economic and social problems.

That is the real task for Canadians. It is a task that this budget does not address. When we in the Liberal Party are given a chance we feel adequate and ready to do the job.

Mrs. Finestone: Madam Speaker, I am really pleased to hear my colleague address one of the fundamental values and visions for Canada that seems to be absent from the view of this Conservative government.

There were many holes and gaps in this long winded, poorly conceived and badly designed budget. I would ask my hon. colleague who was addressing the question of children and their future how he felt the children and the future that we leave as a legacy when not one word in this budget addressed the environment in which we live and the potential for leaving a much diminished social, physical, as well as mental environment for our families and our grandchildren.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I thank the hon. member for Mount Royal for the question. As I said in my opening address, there were other ways of attacking the problems of this country.

What an opportunity we had. The Brundtland commission is now three years old. We had a summit in the city of Toronto just two years ago where all the industrial countries agreed that they would make major efforts to bring down the standard of emissions of fossil fuels and carbon dioxide in the air. We know that if we do not do something substantial and radical in this country and in countries around the world in 10 years or 20 years the earth will be a cesspool. That will be one of the legacies we leave to our children.

One way of doing something, which was discussed in the Brundtland commission and since then, is a green tax. The Minister of Finance says he wants revenue. Then why are we not taxing polluters? Why are we not saying to those companies which are engaging in practices that are environmentally unfriendly that they will no longer get the business grants, subsidies, write-offs and deductions which they are now all afforded? There is an awful lot of money to be saved for the Government of Canada. At the same time a good market pressure could

be put on those very same firms that are engaged in those kinds of practices.

But once again, as the member for Mount Royal pointed out, there was nothing there. It did not even mention the problem. It did not address the fact that economic fiscal tools by the Government of Canada could be used to set a framework, to set rules, and to begin to guide without heavy regulation the choices and decisions in a market-place to get a sustainable environment.

That is the real failure of the budget. There was nothing creative about it. Yet, here is a government that was strong in rhetoric two years ago in Toronto, but when the Minister of Finance has a chance to show how that rhetoric can be turned into practice, what do we find in these pages? Nothing but blanks.

Mr. Funk: Madam Speaker, this budget has distressed a lot of western Canadians. I think it fails completely to come to grips with the very real economic collapse happening in the rural communities right across the prairie provinces, as well as in the northern parts of the western provinces.

I was wondering if the member could attempt to sort out for us what the government is trying to do with the flimflam that we see with respect to regional development funding. It has created a mini-monster called the WDO which was supposed to take over the former regional development programs, the ERDA programs. However we see that virtually no money has been spent. Those agreements in Saskatchewan and Manitoba expired last March 31. As far as I can see scarcely $1 has been spent in the last year. If we look again no dollars are allocated for this year.

Where does the member see the government going? What has happened to regional development funding in western Canada?

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, again I appreciate the question from the member for Prince Albert because it is a matter of vital concern in western Canada.

The regional development programs have been eviscerated. The only alternative being offered by this government is the Western Diversification Fund. Under this budget the Western Diversification Fund has been turned into a lending bank. The opportunity for smaller businesses to get direct grants to start off, to improve, to renovate, or to innovate has been extinguished.

It is okay for companies such as the West Edmonton Mall that want to put up another fancy amusement centre. They have the assets and the capital to go ahead and get the loan from Western Diversification. However to a small business in the Interlake or an engineer who wants to start a new kind of business or whatever the Minister of Finance has just said: "You don't count any more."

I think that is happening. Increasingly we are finding that western Canadians do not count when it comes to this government. They are not in the periscope of the Minister of Finance. The Western Diversification Fund is simply being turned into a pale replica of the Federal Business Development Bank and the Farm Credit Corporation which was simply a way of charging going rates of interest on loans and not giving the kind of stimulus or engaging in major investments in western Canada, in the infrastructure of Canada.

If we talk to any mayor of any municipality in western Canada, there is still the need to repair roads, to repair sewage systems, to deal with soil conservation, to deal with the water problem, and to repair the basic underpinnings of the western economy. There is no money. There is no support. There is no federal participation.

As I said in my earlier remarks that is part of the problem with Canada. The federal government is withdrawing from Canada. It no longer feels that it has responsibilities in the region. It no longer wants to establish a presence across Canada. If we have a government that does not believe in governing any more, that simply believes in leaving it up to the market-place where the market-place does not work or does not fit into the kinds of decisions being made on the Bay Streets, in the big business organizations across North America, then we simply become a forgotten territory and a forgotten people. That is the story of western Canada under this government.

Mrs. Dobbie: Madam Speaker, the hon. member paints a very pretty picture. He lives in a lovely dream world. The world he lives in is a very nice place. It is a world where dollars grow on trees, where there is a

bottomless, endless pitcher of money flowing, and where everybody can live a Utopian dream.

He speaks about international affairs and how we can use taxpayers' dollars to manipulate things to our advantage and so on. Where does the hon. member think those dollars really come from if they do not come from the very taxpayers he is talking about supporting? Where does he think those dollars come from if they do not come from the business community that he is suggesting somehow we should support through some grant program? Where does he think the dollars come from to support the social programs of which the member is such a proponent?

I would like the member to tell this House how much he thinks he can stretch a single dollar. There is only $1 in this country, Madam Speaker. That is the dollar that comes out of your pocket, my pocket, the hon. member's pocket, and the pockets of all individuals out there. How does the hon. member think that that dollar can be stretched beyond its capacity right now, when 35 cents out of that dollar which they pay to this government go to service a debt that was created over a period of profligate spending where people—and the hon. member was one of those people—lived in this Utopian dream where they thought that there was never, ever going to be a time when we had to pay the piper.

• (1540)

I would like the hon. member to tell us how he thinks a dollar can be more than a dollar, and how he thinks the taxpayers can dig down deeper and afford to pay more than they already are for the debt that was created by the hon. member's government?

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, let me make it clear to the hon. member for Winnipeg South that I do not see a Utopian world in Canada. I do not see a Utopian world when I see a million kids living in poverty. I do not see a Utopian world when young native kids are committing suicide. They have the highest rate of suicide of any group in the world. That is not Utopia, I say to the member from Winnipeg South; that is a tragedy. It is a dark scar on the face of this country. There is nothing Utopian about watching the children of this country go down the tube. There is nothing Utopian watching the children of this country going hungry, going without education, and going without proper housing.

I will tell the member where the money comes from. There are 116,000 corporations in this country that did not pay any taxes last year. I will tell her something else. Of the new investments in this country 96 per cent went for corporate takeovers and acquisitions; not new investment, not new business, but to play the paper economy game, to move the chairs around to help Conrad Black get bigger and bigger, and to strip down the corporations of this country. Some $3 million an hour leave this country to pay off our foreign debts. That is where the money is going.

How much money is lost because of our capital gains exemption? How much money is lost because we do not have a proper tax on succession of wealth in this country?

There are lots of places where dollars could be found, but the problem is that this government does not want to look for them because when they start looking for them that is where they will find their friends.

Mr. René Soetens (Ontario): Madam Speaker, I am almost tempted to carry on from the last presentation because the member certainly provided lots of opportunities for me to comment. However I am really here to participate in this budget debate and in the debate on the amendments that the two opposition parties have put forward.

Yesterday morning in my constituency I had the opportunity of having a budget breakfast to which members of the business community, citizens of the community, and students were invited. Some 280 people participated. There was not one person who stood in objection to the budget program. Sure, there were questions. There were some serious questions about some of the programs, but in the end not one constituent stood in opposition at this particular meeting. I did not choose who the constituents were. Those who wanted to come simply came.

We come back to this particular budget and I say maybe my constituents are really quite concerned about it. About 45 minutes ago I made a point of checking with my office staff in the constituency and here in Ottawa to see how many calls have received from constituents concerned that some of the budget programs were impacting on them negatively. We received not one call, I should point out.

I have to presume from this point that the budget provides really strong leadership, the leadership that Canadians have been asking for. I mention that because I had a call from one of the local newspaper reporters in my area who was concerned that there was a poll released showing that we were at 19 per cent. She wondered whether I was concerned that we were at that number. I said to her that leadership was not public opinion polls. If this country wanted leadership by public opinion polls, we would have leadership that was in place prior to 1984. Prior to that time public opinion polls seemed to influence greatly exactly what was in every budget. One thing that did not influence the budget was the deficit; what did not influence the budget was where the money was coming from.

I am happy to report that in spite of what those public opinion polls say, we are providing the leadership in this country that is sorely needed. Fiscal responsibility is a direct cure to a disease that afflicts this country. It is one of inflation and deficits. The two go hand in hand. I do not think one should ever assume that they are out of step.

Since 1984 we have had to address two particular deficits. The first was on the program side. The previous government had been spending money to the tune of $16 billion a year faster than it was making it. Forgetting about the interest on the debt and the debt altogether, it was also spending $16 billion more a year than it was collecting in revenue. Not only did it not pay interest on the debt it was accumulating, it was paying $16 billion more on programs than it could afford. There was another $20 billion that had to be addressed which was the interest on the debt. When we came to office, the two combined amounted to something in excess of $38 billion.

I think we have done tremendous work in trying to address the two issues. We took the first deficit, that one that dealt with the deficit in programs, to zero in three years. Now, a couple of years later, we have taken that to a $12.6 billion surplus. We are now spending less on programs than revenues, and finally we are starting to pay some money toward the interest on our debt. That is what we should be doing.

Unfortunately, that debt has grown to the point where we have to raise $41 billion a year in order to pay the interest, so we still have a deficit of $28.5 billion.

I have made a point of listening to some of the members over the last day and one of the arguments listed by them dealt with interest rates. A point was very adequately made by a member that the finance committee of which I am a member did a study on interest rates last spring. We recommended strongly that the government encourage the Governor of the Bank of Canada to reduce interest rates.

I supported that particular recommendation at the time because the evidence which was presented to us suggested that only southern Ontario was suffering from inflationary pressures.

Of course when the Governor of the Bank of Canada appeared he disagreed with our evidence, but we had numerous other people who suggested information to the contrary. Being relatively new at it, I thought that with all this contrary evidence maybe the government was wrong and all these other people were right.

Hindsight is a great thing. The Governor of the Bank of Canada was right. We need only to look at recent statistics from many parts of Canada to see that inflation is occurring all over Canada. I have a chart which I find rather interesting because I think it is representative of some of the inflationary pressures that exist in all parts of Canada.

One factor is public sector wage settlements for the last year. While the federal Public Service has averaged a 4.2 per cent level of wage settlements, other parts of Canada have levels much higher. Only Alberta and Saskatchewan, and I give them full credit for this, managed to bring in wage settlements that were less than that of the federal government.

I was told that in British Columbia there were no inflationary pressures. I should now ask why then would the province of British Columbia give an average wage settlement of 8.2 per cent in that province if there were no inflationary pressures. Why would Manitoba give 5.5 per cent? Why would Nova Scotia give 5.7 per cent? Why would Ontario average 6.6 per cent? Places like Newfoundland, Prince Edward Island and Nova Scotia settled at just under 5 per cent. Obviously there were inflationary pressures. The statistics in the public sector wage settlements show those numbers very clearly.

What does this lead me to conclude? Inflation is certainly a curse of sound economic conditions and the Governor of the Bank was right. Since I am a member of the committee, I guess I have to say publicly at this time

that hindsight is a great thing. The recommendation we made last spring, almost a year ago, that the Governor should reduce interest rates was absolutely wrong. I have to say that very publicly, and I do fully support that inflation has to be addressed. Yes, I know that high interest rates cause problems throughout this country, but the alternative of high inflation will cause far more serious problems than the problem the governor is creating through interest rates. Very clearly I support the government's fight against inflation.

I have listened to other comments in debate and yet, yesterday for example, a number of members of the Opposition did not talk about the direction the budget was going. They talked about the goods and services tax. That is not a direction of the budget. As a member of the finance committee and one who has listened to all the debate on the goods and services tax and has actively taken part in it, I was shocked. If this budget is so disastrous, how could these members talk about the goods and services tax and not the budget? Obviously they did not have anything they really wanted to emphasize out of the budget that disturbed them, so they had to go to another issue that was politically a little more acceptable for them to talk about.

• (1550)

There was even a member who talked about the free trade agreement and how bad it was. I am not sure what the free trade agreement has to do with this budget. I checked through it all and I do not see any particular program being cut. I do not see any particular revenue earmarked against free trade or losses against free trade. Again, the problem was that they just could not find what they wanted to talk about in this budget. There were just not enough negatives for them and they certainly did not want to talk about all the good things. That leaves it up to members of the governing party to talk about the good things.

Before I get to the good things, there is this feeling of leadership that is required. I mentioned at the outset that leadership was required; it was not necessarily popular, but I do believe it was right. I have listened to members here complain about their part of Canada being terribly affected by this budget. I do not know, Madam Speaker, if you have seen this particular article, but in *The Globe and Mail* this morning, columnist Jeffrey Simpson listed some articles from across Canada that comment on the budget. If you wanted to describe it as leadership, I would certainly support that.

Let me read some of the headlines:

> B.C. battered by Wilson's budget—Alberta pays Wilson's tab—Budget hits Saskatchewan hard—$3-billion cuts hit hardest at Ontario— An "unjust" blood-letting of $220-million for Quebec—Budget ignored promised aid for fishermen.

We have gone from one end of this country to another and they are all saying that they have been picked on. What this says is that we have asked all Canadians to recognize that we have a deficit. It takes some leadership to deal with that deficit. No part of Canada is being asked to pay its undue share in the problems this country faces. That is what I call leadership.

Having listened to the other members, Mr. Simpson's final comment is probably the most appropriate one I can pass on to some of my colleagues in this House. I quote:

> With a debt heading toward $400-billion and a projected deficit, despite the cuts, of $28.5-billion next year, it would be fascinating to hear how the usual suspects and regional tub-thumpers would have acted. Chances are their "solutions" would have varied as much as their criticisms.

Certainly in the case of one party we know what its solutions are because it was in government long enough to prove that it knew how to spend money.

An hon. member: That was the problem.

Mr. Soetens: Now I would like to talk about some of those positive features I mentioned were in the budget.

So that I do not mislead anyone at the outset, I have to say that this budget is not perfect. As long as we have a deficit in any budget presentation, I know there is room for improvement. However we are going in the right direction. The deficit is going down. This budget clearly shows that there is some light at the end of the tunnel. We can see when we stop paying or increasing the debt. In fact in the budget there is some direction that indicates we are going to start paying it back. I find that very comforting. Although it is not perfect it is going an awful long way toward being perfect.

As I mentioned, six years ago the deficit was $38-plus billion. Four years ago the deficit was at $30.6 billion, as it was last year.

This budget forecasts the deficit to be $28.5 billion and next year it will be $26.8 billion. Those are positive steps. Those are things members of the Opposition ought to be talking about very proudly in their presentations. No, they did not rate a lot of mention in their presentations.

That is the improvement. This budget sets the stage for continuing growth and strength in the economy, which directly improves Canada's ability to deal with the debt. Until that debt is addressed, our ability to spend money in some of the very appropriate areas members opposite are talking about just cannot be addressed fully.

How did we accomplish these positive steps in the budget? No, contrary to the comments of some in this House, we did not attack social programs.

Exempt from any impact in this budget will be things like elderly benefits, old age security, family allowance, spouses allowance, guaranteed income supplements, veterans pensions, and unemployment benefits. None of those will be affected in any negative fashion by this budget.

Family benefit programs provided through the province will still be protected fully except in three provinces. One of those provinces is one in which I am a resident. In spite of the fact that they are not fully protected, they will still have an extra 5 per cent to spend on those programs if they need it.

It is not like we cut them back. We did not attack those people who need assistance the most. We made sure that the funds continue to be available. Since the government is holding all Government of Canada spending to a 3 per cent increase, it is not unreasonable to ask the provinces to share in that 3 per cent level. In the past, while we have been restricting ourselves to 3 per cent, we have been passing money to them at 6.6 per cent. We are saying to them, as we are saying to all Canadians, it is time for restraint. If you want money from the federal government, we will make it available to you on the same basis as we make it available to all government programs in which we participate at about 3 per cent. I do not think that is an unreasonable situation.

A lot has been mentioned about provincial transfers. There are various ways in which we transfer money to the provinces. Established Programs Financing is one. That has been frozen for all provinces, except for any adjustments owing to the variable due to population capacity.

This program traditionally funded health care and post-secondary funding, but since 1977 there is no relationship between the money we provide to the provinces and the services that they provide to their constituents.

Let me talk about Ontario for a minute. I read one headlines a little earlier about how badly Ontario was affected. In Ontario we have lists of people in hospitals waiting for major surgery. Cancer patients have to travel from Toronto to Ottawa and even to U.S. cities for that special care they need. Never mind the problems that rural Ontario faces, even urban Ontario has some real serious problems with health care.

The Treasurer of Ontario just this week made a special point of flying back from Florida to announce that he has balanced his budget because of an unexpected transfer of $950 million through taxation from the federal government. That is $950 million extra that he was not expecting.

Did he use it to hire one more nurse or one more doctor? No, he did not.

Did he use it to send one patient to a distant hospital for that special care? No, he did not.

Did he use it to build one more hospital room or to fulfil his promise to my constituents to double the size of the Ajax and Pickering General Hospital? No, he did not.

Did he use it to fulfil his commitment to my constituents that he would enlarge the Whitby General Hospital for extended care beds? No, he did not. When members in the House argue that health care will be affected, it is clear that in Ontario at least the provincial government will use it as it pleases.

I should comment that the province of Ontario did not use that money to improve the cash problems that universities are experiencing either.

Prior to the budget release I read some views in some articles that defence spending would be hit and hit hard. It was not. It was capped at a 5 per cent increase.

In this time when there are changing demands on our forces with the circumstances occurring throughout the world, the military needs this money. I certainly support that. It will have to live within its 5 per cent ceiling.

I should talk to some degree about the grants to business because I have heard some comments there. All across this country I have heard people comment about the fact that we ought to stop giving money to business. Throughout the entire hearing process as we travelled across Canada on the goods and services tax, that was the most favoured presentation by most of the chambers of commerce that appeared before us. Whether they represented rural parts of Canada or urbanized cities, they all supported a stop to these grants to business.

• (1600)

Lo and behold, now that they are in place I hear comments from the Opposition that say: "You can't do that. You can't stop these grants. You have to allow us to spend this money".

Grants are important and assistance is still there, but is it not better that assistance be provided on the basis that if it is such a good idea there will be a return on that particular assistance program to the federal Treasury and to taxpayers and the money will be repaid in reasonable terms and rates? Certainly on that side I think the budget has been very positive.

One of the highlights of the budget is the selling of a portion of PetroCan. I am sure all Canadians will endorse that. When a company is asked to operate in the private sector, it has to be given the tools to operate in full in the private sector. Unfortunately any company owned by the federal government that needs cash has a problem. We cannot give them any. Therefore putting Petro-Canada back into the private sector enables it to operate fully like Canadians would expect it to operate to generate the revenues, to generate investment and to create the jobs that Canada needs. I whole-heartedly endorse the move by the federal government to return Petro-Canada in stages back to the private sector to let it do as it should be doing.

There are numerous other areas of spending that have been addressed. I would like to get into them today but I appreciate that I cannot. I would like to close by saying to you, Madam Speaker that I appreciate this opportunity to address the House on the budget, particularly knowing that the member for Halifax West allowed me to speak in his place. He was most anxious. We switched places to do this, so I thank the member for the opportunity to speak at this point on the budget.

Mr. Whittaker: Mr. Speaker, in listening to the member's speech he touched on social programs and the fact that they did not cut back on social programs this time around.

However, one area he did not get into to which I would like to direct his attention was that of seniors. In looking at the Estimates we see that the senior's independence program has been cut $3.5 million and we look at the effect of this budget on seniors in particular.

In looking at the press release the One Voice Seniors Network put out yesterday, I note that it has pointed out that some of the measures of the government which will hurt seniors are the massive cut-backs in social housing. It pointed out that even though it is not in this budget the clawback will be coming into effect and is going to affect them. It also pointed out that through the government's policies and the goods and service tax they will now be paying tax on many things they have not paid tax on before.

I know the member will stand and say that they are going to be in a better position than they were in before because of the rebate system. I would also like the member to point out them that it is only partially indexed to inflation and that in fact they are going to be treading backward in the years to come.

Seniors are now going to be paying tax under the goods and service tax on things like the recreation, golfing, movies, and bowling. They are going to be paying tax on the taxis for those who do not have transportation to go down to the stores in the small communities which do not have public transportation to get their groceries.

We are seeing in the cut-backs to provincial transfer payments problems with social assistance on which many, particularly senior women, depend for top-ups. Those programs now must either be taken over by the province, or more funding has to be put in, or cut back. Similarly the member has talked about the health programs. I would suggest that those will also be hurt.

There are a number of factors where seniors are going to be hurt. By cutting these things to seniors we are ignoring seniors in the future. We have an ageing population. We have to face the facts that we must redirect our priorities in looking to the future, not only for the next generation but for our generation who is now ageing. My question to the member is this. Will he try to convince the Minister of Finance, the members of his party, the cabinet minister, his colleagues and the Progressive Conservative government that they cannot continue to ignore the aging population of Canada? They must fortify not destroy the programs that have been set in place up until now.

Mr. Soetens: Madam Speaker, it was certainly a very well thought out question. I guess the only debate I would have with the question is on the facts contained within it. Let me give some clear examples.

The member talked about the One Voice Seniors Network. They are well known supporters of particular viewpoints that the member is concerned with. I understand that.

In the presentation that the One Voice Seniors Network sent out to many of its membership, they talked about the impact of the goods and services tax. As I suggested during my speech, members of the opposition want to debate the goods and services tax rather than the budget. I will try to answer partially the hon. member's comment about the goods and services tax and partially his comment about the impact.

The goods and services tax in the brochure sent out by the One Voice Seniors Network talked about a new tax on telephone communication, a new tax on fuel, a tax on rents and of course, as Madam Speaker is aware, those are misstatements of the information that is provided.

If we are concerned about whether a senior should pay tax on golf, I can understand that that would be of concern to the member who asked the question. I am not sure I can say that seniors who have contacted me are concerned about having to pay tax on their golf.

With regard to the clawback, it is awfully nice to again hear the member speak about protecting the rights of seniors who make $77,000 a year and have to pay back their entire old age security. He talks about taxing high income earners and when we do that, he says we cannot do it.

Ultimately he is concerned about how Canadians are affected by this. Are seniors being affected? Let me put it this way. Seniors would be far more affected in the impact of social programs if we did not bring the deficit under control. Without a controlled deficit, all programs for all Canadians will be under attack. By reining in the deficit, we have a much stronger ability to protect all the social programs that Canadians want and expect.

Mr. Schneider: Madam Speaker, I rise today with great pleasure to ask my hon. colleague a question relative to the remarks that he has given today on a subject that no doubt is near and dear to the hearts of a lot of Canadians.

When I say to the hearts, I am talking about those who are capable of looking at the entire problem and not just looking at isolated problems. Our national debt is in fact a national problem of the kind of magnitude that it will take the credibility of people like my hon. colleague to resolve. My hon. colleague and I got to know each other as we spent a week in Saint-Jean, Quebec and learned a little bit about each other. I find that he is a man of integrity and I would entreat him to the residents of the constituency of Ontario.

I found as I followed him around the finance committee hearings throughout the past year that he indeed was a man who did provide a lot work to the committee. I have a couple of questions or points to which I would like him to respond.

First is the matter of Petro-Canada. He did touch on this subject. He did not touch on another component to it that I think if he had the opportunity he would like to and that is how much more effective Petro-Canada will be once the pride of ownership is given as an opportunity for these individuals who own these service stations.

Second is perhaps a little enlightening experience with respect to the fact that we are a government that does not govern by poll. Of course, we are doing some pretty unpopular things. Perhaps he could address to his constituents and to the members of this House how tough it is to be a member of the finance committee and a member of a government which believes in paying its bills.

Mr. Soetens: Madam Speaker, it is certainly a very good question and I appreciate the member asking it.

He is right, we did have a chance to get to learn a little more about each other certainly in our week at Saint-Jean, Quebec. I do not know if I failed the course, but I certainly would not profess to be bilingual at this point in time. I appreciate, though, that we did have an opportunity to try to learn together on what I think we both found a very difficult subject.

• (1610)

But on the issue of Petro-Canada, I would like to comment that certainly in my constituency, and I presume the same applies particularly in western Canada, there is an awful lot of people who simply will not shop at Petro-Canada because it is owned by the taxpayers.

There is a group of constituents in this country who believe that Petro-Canada should be owned by the private sector. People want to shop at Canadian businesses. There is no doubt about that. And if Petro-Canada were owned by the private sector, first, it would have the freedom to make some investments, to borrow some money, and make some long term commitments without the constraint of the federal government in its pocket. Right now PetroCan cannot borrow money without our approval because, of course, we are the owners of it.

When we do not have any money ourselves, it is awfully difficult for us to argue that somebody else ought to be allowed to borrow it. So I think that the freedom that Petro-Canada needs to operate as a private corporation in the private sector will enable it to be even more positive and more aggressive in fulfilling the mandate that it has. I have a lot of constituents who would be happy for that to happen.

Yes, being on the finance committee is tough. But I can tell you that constituents throughout my constituency and certainly throughout most of Canada want the government to address the deficit. They want to address the way we spend our money and I think that that is where leadership comes in. You just have to make those tough decisions. We are making them, and, yes, I am sorry we are down in the polls, but I know we are making the right decisions.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired.

Before recognizing the next member in debate, I would like to tell the House that I have received written notice from the hon. member for Nanaimo—Cowichan that he is unable to move his motion during the hour of Private Members' Business on Friday, February 23, 1990.

[*Translation*]

Since it was not possible to exchange positions on the order of precedence, pursuant to Standing Order 94, I instruct the clerk to move this item to the bottom of the order of precedence.

The time provided for the consideration of Private Members' Business will therefore be cancelled and, pursuant to Standing Order 94, the House will continue with the business before it at that time.

[*English*]

Resuming debate. The hon. member for Saskatoon—Clark's Crossing.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, it is with mixed feelings that I rise to discuss the budget introduced so recently. It attacks all those things that the members of the New Democratic Party in this House hold dear. It attacks the sick, the students of the future, and it attacks the very poor in our society. Fully 70 per cent of the cuts in this budget attack the sick, the students and the poor, which is an indictment that I do not think any party, any government or any finance minister would want to spread around too freely.

It is not a surprise at all that only 19 per cent of people in this country support this government's position. This government was reminded by 88 per cent of Canadians not to cut post-secondary education and health care, and yet it went ahead and did it anyway.

This budget indicates that the government has run out of ideas and has no idea on how to manage the economy. The Tories have preached restraint now for six years and have yet to target the greatest single contribution to the size of the deficit—our insanely high interest rates.

With peace breaking out all over Europe, this government has not touched defence spending. In fact, defence spending will increase by 5 per cent, at the same time

that consideration is being made to move the doomsday clock away from midnight for the first time since the Second World War.

This government continues to move the tax burden from the rich and the powerful, the multinationals and the millionaires onto to the middle and lower income groups. The Minister of Finance's own figures indicate that last year another $1 billion was shifted from corporations onto ordinary income earners. Taxes received from corporations were $1 billion less than projected, while the taxes received from individual Canadians were $1 billion more than was projected, a continuation of the move away from those who can best afford to pay taxes to those who can least afford to pay taxes.

Now the government claims that it has no choices left as to where to cut. Rather than show some leadership on the world stage and contribute to a lessening of international tensions by cutting defence spending, they now attack medicare. Instead of reducing interest rates, the government raises them and then cuts education spending to make up for the increased borrowing charges. Rather than let the Canadian dollar resume a sustainable level which would encourage our export industries, the Minister of Finance announces plans in the budget to borrow $3 billion to intervene on the international money market.

The lack of imagination shown by the government in addressing the needs of the country is so atrocious it brings new meaning to deadly dull. Their dullness now threatens the health of Canadians, their dullness attacks veterans by gouging them for an additional $35 million in user fees, their dullness threatens the future competitiveness of Canada by reducing access to post-secondary education.

Why should the sick, the poor and our youth be sacrificed so that this government can gamble $3 billion on the money market? Why are small businesses, farmers, home owners and consumers gouged with the highest real interest rates, second only to those that the Liberals created? Why are they gouging small businesses, farmers, home owners and consumers?

The Minister of Finance is like a little boy in his obsession with the level of the dollar. He wants to go to international meetings and boast about the size of it. The government is making up for its mismanagement of the economy by attacking the most defenceless members of our society—the poor, the sick and the youth. As I said, fully 70 per cent of these budget cuts are on the backs of the sick, the students and the poorest in our society.

There is no excuse for this, Mr. Speaker. It is a shameful recognition of the direction this government is following. Eighty-eight per cent of Canadians told the government not to cut health and post-secondary education funding, but it went ahead anyway. This is bullying of the worst kind, when a government refuses to listen to those who elected it, refuses to listen to the people it is representing.

The minister with his fat bank account and his life of privilege understands nothing of the daily struggle faced by millions of Canadians. Now he wants to undermine the national underpinnings of medicare, Canada's most essential and most valued social program.

This is the third time the government has taken the axe to health and post-secondary education spending. In 1986, the Conservatives reduced spending by 2 per cent a year, in 1989 they reduced spending by a further 1 per cent a year and now, less than a year later, they have reduced increases to 0 per cent a year. Given the government's own projections of approximately 5 per cent inflation per year over the next several years, it means that health and post-secondary education spending will decline in real terms for the first time since these programs were established and decline by 5 per cent each year.

Anyone who visits our universities and colleges, anyone who visits our hospitals knows full well that these institutions cannot afford a cut of 5 per cent a year. Already they are struggling to meet the demands that are placed upon them and this 5 per cent cut will make it impossible for them to ensure that we have the high quality health care that Canadians deserve and need, and that we have the high quality education system that Canadians need in order to take on the world economy of the future. It is short-sighted. It is short-sighted and it makes no sense.

The Minister of Finance has spoken about the enormous effects of compound interest in describing the growth of the deficit, but with his customary hypocrisy, he has not mentioned the compounding effect of all of

the cuts to health and education spending. The total effect of the 1986 cuts was over $2 billion between 1986-87 and 1988-89. Because of the magic of compounding, the initial cuts have now reached $2 billion each year and, of course, the figure is growing. That just represents one of the three cuts this government has made with regard to health and post-secondary education funding.

When we consider the effects of the new freeze on health and post-secondary education funding, we have to include the 1 per cent cut announced last year. Incidentally, Bill C-33, which announced that cut has still not been passed by Parliament and, of course if New Democrats and the people of Canada have anything to do with it, we will make sure that it never gets passed.

The Minister of Finance has said that the government will save $7.3 billion over five years with the proposed freeze in transfer payments. The effect of this, plus the 1 per cent cut last year, if that is included, plus the 2 per cent, means that the actual cut that this government has made to health and post-secondary education is close to $11 billion over a seven-year period. To indicate the magnitude of that cut, the annual budget of the University of Saskatchewan, as you fully well know, Mr. Speaker, is about $160 million. That shows the extent of the cuts of this government, the slashing that it is making of two of our most valuable programs, health and post-secondary education.

• (1620)

If health and education spending had grown at the rate expected before the minister began to amputate the funds, the federal government would be spending $30 billion more between 1986-87 and 1994-95. These cuts are unprecedented in their size, and they are unprecedented in their lack of consultation.

I do not suppose the Minister of Finance would find one hospital, one university, one student, one professor, one doctor or one nurse who agreed with the extent of these cuts. In fact, they are so huge that they are even greater than the gouging and slashing undertaken by the Liberals when they introduced their infamous six and five program which dramatically cut spending on post-secondary education and made two other further cuts to both health and post-secondary education.

Mr. Speaker, what we are seeing is the end of a dream. When New Democrats forced the federal government to bring in medicare and hospital insurance nearly 30 years ago, it was recognized that Canadians from every part of the country should have similar levels of health care. That is why a national program was designed, so that every province, not just the better off ones could provide health care.

The then Prime Minister, Mr. Diefenbaker, who was so much a champion of health care would turn over in his grave when watching what his modern-day colleagues are doing. It was recognized then and it remains just as true today that Canadians should not be penalized by their place of birth or by how poor their parents are. Every Canadian has a right to medical care. It is immoral and unjust to place a higher value on the health and lives of the rich, or those who live in wealthier provinces, than on the health and lives of the poor, or those who live in less well-off regions.

Perhaps the Minister of Health needs to be reminded that he has moved from being the Minister of Defence to the Minister of Health. The defence budget will recognize an increase by some $700 million in this budget, while the health care budgets and education budgets of this country are slashed.

This is a government which prefers guns over health care. It is a government whose priorities are wrong. With post-secondary education in the late sixties, the federal government began a system of transfers of tax points and cash to the provinces. There was a national consensus that young people from every part of the country should have access to higher education.

Young people in Newfoundland and Saskatchewan should not be forced to travel thousands of miles to attend universities in southern Ontario. Young people in Quebec should have access to higher education in their own language rather than travelling outside the province to study in a foreign tongue far from home.

The national dream of equal treatment for all Canadians is being destroyed by the government's actions in this budget. This government has determined that it does not matter who you are, it matters how thick your wallet is. Post-secondary education will no longer be available to bright young people if their parents are poor. Universities and colleges will become the preserves, even more than they are now, of the upper classes. No longer will health care be a right. Now we copy the horrifying

American system where health care is a commodity, the best that money can buy.

It is ironic that while Americans are demanding a health care system like we have in Canada, we are making the choice to have a health care system like they have. We all know the problems that that will create, the numbers of people who are inadequately or not covered by the system and the fact that the rich have private hospitals with luxurious suites while the poor are denied basic health care. That is the direction we are moving in. Americans want our system. Our government is rejecting that system for one which is so flawed.

What is the minister's expertise to determine that people do not get as sick in Nova Scotia as they do in Alberta? Why is he encouraging the privatization of medical care, the creation of two health care systems; one for the rich and one for the poor.

We have already seen from Alberta suggestions that this is the direction in which the health care system should move. We have heard all sorts of pronouncements from the government, both with regard to health care and post-secondary education, about how important they are to the country and about how committed this government is to those two programs.

Actions speak louder than words. When we look at who is going to pay for the government's philosophy, when we look at what the government actually does in pursuing its big business, free enterprise, anti-Canadian policy, we can see who pays the cost.

There are cuts and shifts out the national AIDS program which will make it more difficult for us to fight the war on AIDS which this government has said is such a priority. Twelve million dollars is taken out of that strategy and moved to other places. Support groups in favour of improving health services and looking into research and education in public health lose out by $900,000. Support groups which are advocating health promotion lose out by $150,000. The national health surveillance program which attempts to ensure that Canadians are protected from health hazards and ensures that our health standards are adequate is cut by $12 million. Programs for vocational rehabilitation of disabled persons, one of the most vulnerable groups we have in our society, are cut by $15 million. Support services for welfare recipients, again a group which is severely disadvantaged in our society, have cuts of $2 million. Cuts in programs to address child care problems and to encourage the increase in quality of child care cut by $2 million. Cuts to programs to assist seniors in supporting themselves and in leading a dignified and happy life by $3.5 million.

The legitimate role of the federal government has been traditionally to help the most vulnerable in our society, the less well off. If, as the Conservatives believe, that there is no longer a role for government in this respect, if, as they can attack the poor, the disabled, the sick and the old, who is going to play this role? Is the private sector going to do this for us? That is what the government seems to be suggesting. Is it going to conduct research into AIDS, is it going to assist those people living with disabilities, is it going to investigate aspects of seniors' health care, is it going to help seniors live in their own homes with some dignity and with some happiness? Is big business going to support the support groups which want to investigate measures which can assist in our health care program?

Clearly it is not. So what this government is doing is attacking those very programs and those very groups which can assist us in making our society a better place. The government is saying, if you are sick in Newfoundland, you do not deserve the same high quality of health care as better off Canadians do. It is saying that if you are a student in Saskatchewan you are not entitled to the same high quality university education as you are in rich provinces. The government is saying that health promotion, the fight against AIDS, the disabled, battered women, children, seniors, those on welfare are no longer priorities of this government.

I think we have to assess the philosophy of this government and look carefully at what this government is doing. If we look at the budget we see that there was nothing on the environment. Such a short period of time ago the government was professing great commitment to the environment and to an economic program which paid attention to environmental concerns. Yet as soon as the first budget comes along, after these pronouncements, we see nothing in the budget at all for the environment. We see nothing to address the crisis in Atlantic Canada, a crisis which is going to affect tens of thousands of

people in Newfoundland and the maritime provinces, tens of thousands of people in Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick. We saw nothing in the budget to make the wealthy and corporations pay their fair share of taxes. We saw nothing to help the homeless. Indeed we see cuts to social housing. There is nothing to help feed the 1.2 million children who go to bed hungry in this country.

We see nothing which would have addressed the concerns of the deficit other than those cuts on the least well off in our society. We saw no imagination in terms of adjusting tax rates for the wealthy and for corporations. While corporations can write off to the tune of almost $1 billion their lunches and their entertainment expenses, this government in this country of so much wealth is taxing those people who are earning less than the poverty line.

People that we see in our offices—do not know whether the Tory members see them in their offices—are already suffering and not able to cope with this government's cuts.

• (1630)

In conclusion, this budget fits into the Tory philosophy. It helps the rich and it hurts the poor. The last speaker talked about free trade and the goods and services tax. He wondered why some speakers were referring to these particular measures. Well, it all fits into the same package.

As we have seen from those recent public opinion polls, the government represents only 19 per cent of Canadians, the richest Canadians and not the poorest. Free trade involved us giving up control of our economy and attacking people, the sick, students and the poor. This budget is putting into effect the same philosophy which sat behind the free trade deal into social programs and the way in which this economy will be managed.

We see increased regional disparity. There is no effort in the government's activities to help those less well off regions. The attacks were not quite as hard as those on the richer provinces, but there was nothing to redress the enormous problems of the regions of the country. Members of the government should go out and visit those regions to see the enormity of the problems. Then maybe they would concentrate on addressing them.

There is the privatization of Petro-Canada which will take away our last vestiges of an attempt to control our own oil and gas reserves. There is privatization in the health care system. It has to come, and we are already seeing it because there simply is not enough money going into the public system. We are going to see increased privatization in the post-secondary education too as tuition fees go up and as we see private universities springing up in the country.

We have a two-tiered system which the government is pushing upon on us, one for the rich and one for the poor. There is an Americanization of our programs and an Americanization of our society. It is one in which the rich do well by the government and the poor get trodden on. It is simply not acceptable. The people of Canada are speaking out all over the place. We see it from the public opinion polls today and whenever we see ordinary Canadians in our office and at meetings. The country is sick of these unfair programs which protect the rich and hurt the poor. The government, of course, and members opposite will feel the brunt of it come the next election.

Some hon. members: Hear, hear!

Mr. Crosby: Mr. Speaker, sometimes I am afraid that we, in the House of Commons, have become so insulated against the empty rhetoric of members of the New Democratic Party that perhaps we should stop to think that perhaps somebody else is actually listening to them and accepting some of the material. Let me make a couple of comments to point out a few things to the public.

The NDP constantly takes credit for being the institutors of our health care system. What nonsense! I was a solicitor in the Department of the Attorney General of the Province of Nova Scotia in 1957 and 1958 when the Right Hon. John Diefenbaker, who was then the Prime Minister of Canada, was promoting the hospital plan. That was the precursor or our medical care plan for all Canada.

An hon. member: It happened in Saskatchewan in 1952. Where were you in 1952?

Mr. Crosby: He required the consent of six provinces in order to implement the hospital care plan across Canada. He prevailed upon Nova Scotia and the Hon. Robert Stanfield to join with the five other provinces

which had agreed to participate. That was the beginning of public hospital care in Canada. It had nothing to do with the New Democratic Party. What colossal nonsense, perpetrating this fraud over a period of time as though some person in the province of Saskatchewan created the whole medicare plan.

An hon. member: Have you ever heard of Tommy Douglas?

Mr. Crosby: Time and time again we are faced with this nonsense. The onus is on members to stand up from time to time, forget the empty rhetoric, and give the facts to the House of Commons.

I want to go after another area of empty rhetoric that the member mentioned, Petro-Canada, the great white father of the oil industry. The executives fly around in the same jets as every other oil company. It has the same rules and regulations for its dealers. It overcharges its dealers on tires and batteries and other accessories. It has the same plans and programs as any other oil company.

I would like to ask the member what will be the loss? Do you know any dealers? Have you ever talked to a Petro-Canada dealer and asked him or her what the arrangements were as opposed to private enterprise dealers? Put that to the test. Ask any Petro-Canada dealer how sad he will be when privatization takes place. Those are the little people who Petro-Canada is supposed to protect, not the corporate executives.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I am sure that coming from Saskatchewan, we are both amused and surprised at what the member from Nova Scotia just said. Perhaps the member forgot Tommy Douglas, Woodrow Lloyd and Allan Blakeney. Perhaps he forgot, as this government seems to have forgotten, that Saskatchewan even exists. Saskatchewan was the province which brought into operation hospitalization and ran medicare on its own without any federal support for six to seven years. So let us not hear this nonsense about it. If we look at the history books we can see it.

In terms of the national program, without the lead of Saskatchewan and the New Democratic Party, this country would not have a medicare program. We will be labouring under the same system as the Americans have in which most of our less well-off citizens would not be covered by adequate health care facilities.

An hon. member: A Tory system.

Mr. Axworthy (Saskatoon—Clark's Crossing): Yes, a Tory system. One which favours the rich and hurts the poor. Let us not hear any more nonsense about the origins of medicare. It is quite clear where the origins of medicare were. They were situated in Saskatchewan and in the CCF, the forerunner of the New Democratic Party, which persuaded the rest of the country that this was a good idea.

Mr. Diefenbaker, of course, played a role in making medicare a national program. Everyone in Saskatchewan, and indeed all of us in the New Democratic Party, would admit to that role. He was supportive of the medicare system as we all know, somewhat to the surprise of his colleagues in the Conservative party at the time, and to the establishment in big business and the medical community. He did play a role and we all recognize that role.

Of course, he would be turning over in his grave at what the government is doing to medicare and what they are doing to Saskatchewan and the other poorer regions of the country. The member opposite knows that. Mr. Diefenbaker was not as neo-conservative as the government is. Mr. Diefenbaker was a traditional Tory who cared about ordinary Canadians, unlike the government.

Mr. Butland: Mr. Speaker, yesterday we congratulated our colleague on his expertise in a particular area. Now I have to congratulate him on his versatility. He is on his feet every day expounding words that Canadians want to hear. He struck a lot of nerves across this country.

He mentioned one of our favourites: corporations. He said we should be taxing corporations. I had occasion to ask Revenue Canada a couple of months ago what constitutes a large corporation. I was told $10 million and above. I asked, how do you arrive at that figure? The answer was it was very complex but about $7 million constitutes a large corporation. I asked how one got from $7 million to $10 million. The answer was that one had to err on the side of caution. I thought that was a very interesting answer to what designates a large corpora-

tion. One could only hope that the minimum wage and poverty line would be so flexible for Canadians.

The deficit that the Conservative party has suddenly found to be the major problem in the country popped up in December, 1988. In November, 1988, it was no problem at all. We went through a whole campaign and there was not a mention of it. "It is in our financial commitments and we are fiscally responsible". Two months later, all of a sudden, we broke all those promises and now the deficit is a major problem.

As far as the budget process is concerned, the Prime Minister in his now famous book that you can buy for 99 cents at any Coles bookstore across this country, said consultation is very important. The budget process must be a consultative one. It cannot be dropped out of nowhere one night. That is exactly what happened this time. The Minister of Finance was too busy to meet with anybody prior to this budget, breaking a long traditional process. Instead he sent out 50 letters. I think he read three of them. He read the ones from his friends and said this is what we have to do.

I am sure that the vision of the country that the government has is very different from our vision and this member's. He is a very caring politician. What is his vision of the country and how does he think the New Democratic Party would move toward that vision of our country?

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I thank the member for his question. One thing about us as New Democrats is that, before anybody else and anything else, in terms of our approach to dealing with the deficit, which we recognize is a serious problem and the other problems of the country, we put people first.

• (1640)

There was an old slogan, of course, of the CCF: "People before profits." What that reflected was a desire to give people a helping hand, rather than a kick in the teeth, which is what the government specializes in.

So, we should put people first. We should look for policies which help people, care about people, enable people to live happy and healthy lives, enable people to be educated even though they may be poor, enable people to have health care even though they may be poor, and encourage them to work and have jobs, rather than discourage them. We would help the regions, not hurt them. We would look for the resources to do that from people other than those whom the government looks to for those resources.

The government looks to the poor and the least able to provide the resources to deal with the country's problems and concerns. It leaves those who are most well off, the wealthy, the corporations with tax loopholes for the rich, and so on. That is where we would look for those ways in which we could provide the resources to solve the problems for the country.

Clearly, we would also attack interest rates in a meaningful way, which is simply not what this government is doing. In fact, interest rates are getting very close to the level at which the Liberals had them in their heyday. There is now a gap of almost 9 per cent between inflation and interest rates. At the height of the Liberal hypocrisy dealing with interest rates, the gap was about 11 per cent. We are not very far off from a very similar situation which hurts ordinary Canadians the most.

We would look for places where people are able to provide resources, not attack the least well off in our society.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me continue this debate on the budget of 1990 by quoting some of the principles introduced by a Minister of Finance in the House of Commons. These are financial principles adopted by the Minister of Finance.

> First, we must continue to practice fiscal responsibility. We must persist in restraining government spending. We must strive to contain the rise of the deficit—we must rigorously review our priorities to ensure that existing programs continue to serve valid objectives—we must continue to rely primarily on the dynamism and creativity of the private sector as the engine of growth in Canada.

I am sure members of Parliament recognize that as consistent with the thoughts expressed by the Minister of Finance in his budget. But they are, in fact, remarks made by the Hon. Marc Lalonde, when he introduced his budget in October, 1982.

Now the difference is that the Hon. Marc Lalonde as Minister of Finance under a Liberal government did not abide by those principles. He enunciated them in the House of Commons, but he did not follow them in his subsequent financial plans. As a result, we are left with

the deficit and debt mess that we encountered in 1984 and we have been trying to fight that situation ever since.

Marc Lalonde was not the only Liberal finance minister guilty of those grave deceptions. Back in the 1960s, the Hon. Edgar Benson made similar remarks in the House of Commons. He said that he intended to continue severe restraint. The government's experience in the previous year and the prospects for the following year forced it to recognize the central problem of the control of public expenditures in Canada at the time. But again, Mr. Benson, as Minister of Finance, and subsequent finance ministers, did not abide by the principles they enunciated.

Now the members opposite in the Liberal party and the New Democratic party criticize us for enunciating those principles of financial responsibility and then abiding by them. That is the difference. They simply used those principles as rhetoric. We use them as a plan of action. So that is what the budget is all about. It is about reality. It is about the realities of the financial situation of the Government of Canada.

Our goal has to be that of getting our economic and financial house in order. Let us compare it with the family. Who would lend money to a family who for 20 years overspent its budget? They bought a new car when they could not afford a new car. They bought equipment for their homes, took vacations, and constantly overspent. Now would any banker or lender want to assist that family in future expenditures? They would say to them, no, that is not the way to operate. You have to go back and get control of your budget. You have to account for your revenues and relate your expenditures to those revenues.

That is very basic financial responsibility and it applies equally to any government or institution. Revenues have to relate to your expenditures. How can anybody complain in the House of Commons or anywhere else in Canada? As the Minister of Finance says: "I will tell you what we are going to do for 1990-1991 and all future years. We are going to relate our revenues as the government to our expenditures and we are going to bring them into balance." How can anybody quarrel with that?

What has happened over the last five years since the Progressive Conservative government took office in 1984. That is exactly what we have done. We have related our revenues to expenditures.

An hon. member: Oh, oh!

Mr. Crosby: The member laughs, the member who is a part of the government that in 1984 allowed the national debt to rise to $200 billion. They then say: "Why did you people not do something about it? Why did you not eliminate the debt and reduce the deficit to zero?" How could you possibly do that?

The members opposite and all other members of the House of Commons knows that it has to be a gradual process unless they are willing to cut off social programs.

Mr. Manley: What's left?

Mr. Crosby: They stand in the House and defend social programs and say: "Don't reduce social programs." Then they take away the financial ability to provide those social programs. Now that is hypocrisy of the worst kind, to pretend to defend social programs and to pretend to support social programs and their expansion and to look after needs as they are created in the Canadian public and then to deprive the government of the financial ability to do that. What sense does that make? Does anybody in Canada really believe that that is possible, to continue spending, not raise revenues and allow the deficiency and the deficit to occur year after year? I do not think any Canadian would fail to realize that that kind of process can lead to disaster.

The greatest threat to social programs is a bankrupt national treasury. I defy any member of the House of Commons to stand up and say that that is not the case. A bankrupt national treasury will not provide or support any social program. Just ask somebody from Argentina, Brazil or Poland about that.

People are always talking about eastern Europe. Look at eastern Europe and what is happening with the rise of democracy. But listen to Gorbachev, Walesa and Havel. They will tell you. The lesson they have learned in eastern Europe is you cannot go on spending and not producing. What they are saying to their workers and people is that they have got to be realistic about their economy. People have to work and contribute if they want any benefits from their society. That is what they found out in eastern Europe and that is why they are marching in Prague and in all those eastern European

countries. They are marching for democracy, but they are also marching for enterprise because they know that that is the solution to their problem. They know that you cannot take more than you give, as the members in the New Democratic Party are always pretending. You cannot take more out of the system collectively than you put into it. It is as simple as that. If Canadians do not realize that, we are in big trouble.

That is our job, to convince Canadians that that is the situation. How are we going to do that? We have to point out, time and time again, even though the members opposite do not want to hear it, the great disaster that was nearly brought on the country by years of Liberal deficits piling up, detailed, not by members of the Progressive Conservative Party, but by people like Terence Wiells in *The Gazette*. I read his article dated Sunday, April 23, 1989, where he said: "How did we get into this mess?" and details from Benson on through, year by year, Liberal budget after Liberal budget, leading to deficit. You get sick of saying it, but if people will not listen you have to keep saying it until they do listen because the legacy of years of debt is a financial disaster for Canada. It is an erosion of social programs, the inability to carry on and reach all your national and international commitments.

What does it mean in dollars? Very simply, when we came into office in 1984 there was a $16 billion deficit in program spending. That meant that the amount spent by the government on programs was $16 billion more than the revenue. In 1989–90 there was a $9 billion surplus on program spending. That is, we lived by the principles announced by the Minister of Finance. We said we are going to relate revenues to expenditures and we produced a surplus of $9 billion.

• (1650)

But here is what people have to realize. If you take those two figures, the deficit of the Liberal government prior to 1984 and the surplus that we established over a five year period, and add them together, that is $25 billion. Add that to the current deficit of $30 billion which we are still incurring and the figure is $55 billion. If we had not taken action we took in 1984 and in subsequent years we would have a deficit in this country of over $50 billion.

Can you imagine what that would do to our dollar? It would not be worth 50 cents. People are complaining that the dollar is going down. It would go down right to the bottom, below 50 cents. What would interest rates be? We would be glad to pay 13 or 14 per cent because they would be 26 per cent. What would inflation be with a $50 billion deficit in Canada? Talk about double digit. There is no such thing as triple digit but I can tell you it would go a heck of a lot higher than 11 or 12 per cent that we saw in the early 1980s.

So those are the kinds of problems that have to be underlined and understood by all Canadians or they are not going to understand the programs that the Minister of Finance has introduced, the initiatives that he has taken to right the wrongs. That is why I say the budget is about reality.

Let us talk about the opposite of that reality. Members opposite like to mention the polls. No problem with the polls. We can get back on top, we can go up to 50 per cent or even 60 per cent. All we have to do is restore VIA Rail and its $600 million a year deficit, let the Post Office carry on as it did before and produce another $600 million deficit instead of the $70 million surplus they experienced in the last fiscal year. We can roll back tax increases. We will not require Canadians to pay any more in taxes. We can increase the OAS, the GIS, we can roll back the unemployment insurance changes. We can just fund the deficit on the unemployment insurance plan.

We can go on with all sorts of programs that will bankrupt the national treasury and everybody would be happy. They would think that was wonderful. They would all support the Progressive Conservative government because they would be getting more money in transfer payments. They would have all kinds of services. But for how long? It might last a year, it might last two years, it might even last three years. But sooner or later you have to pay the piper and when the Canadian people pay that piper they will find they are paying enormous interest rates. They are going to have to face the reality that the whole system is going to collapse.

But the government is not going to let the system collapse. They are not going to be misled by the empty rhetoric of members opposite and members of the New Democratic Party. We are going to grasp the realities of

the situation and that is why we say the budget is about reality.

I have already indicated the government's record of expenditures and the important things that have been done over a period of time—the down-sizing of the Public Service, the fact that the Public Service, in 1990, is no larger than it was several years ago. There are 12,300 less persons employed in the Public Service of Canada. I have mentioned Canada Post and the fact that they now produce a surplus, whereas years ago there was a $600 million deficit. That is the same in various other areas of activity.

The other important initiatives that we have taken would take too long to list. But let me just leave you with this thought, Madam Speaker, and members of the House of Commons; this has been at a price paid by the people of Canada. We understand that. The people of Canada have been great contributors to this righting of the national economy in terms of taxes. Yes, the revenues of Canada have gone from $70 billion in 1984 to close to $120 billion in the next fiscal year and that is the contribution of the people of Canada. We respect that and we know it was at some sacrifice and suffering. We know that the people have paid more taxes. But I hope they realize that that contribution is going to pay off. It is going to pay off in a solid economy, an economy that is respected not only domestically but internationally all around the world.

We know public servants have paid a price. They have had downsizing and I hope they understand the need and desirability of that initiative. They have taken lower salary increases, below the inflation rate in many cases. That has been a tremendous contribution to the Canadian economy because it shows to the whole Canadian labour force, all working people including ourselves, that that ought to be the test, that ought to be the guiding light.

I think I want to congratulate public servants across Canada for accepting the kind of salary increases that they did a few months ago through the Public Service Alliance. One hundred and fifty thousand public servants accepted a salary increase in the area of 4 per cent. That kind of acceptance of the realities of the economy is what will make Canada strong. We have contributions from the people of Canada in terms of tax increases. We have the special contributions of public servants in terms of downsizing and acceptance of reasonable pay increases.

I think that has led to the present state of the economy. What is the present state of the economy? There have been over 1.5 million jobs created across Canada over the last five years. Those are good, full-time jobs—over 900,000 jobs for women—not part-time jobs but jobs in science and technology, and in other areas, that will be lasting jobs for the future.

We have always said that at the heart of our policy has to be employment of Canadians. I had somebody say to me when I was first elected: "You can talk about inflation. You can talk about a variety of problems. You can talk about high interest rates, but if I don't have a job I can't deal with any of those problems. Get me a job and then I will worry about interest rates, about inflation, about the high cost of living and all the other problems that beset Canadian families." If you do not have a job you cannot even deal with those problems.

That is why we have made employment of Canadians a priority and there have been 1.5 million jobs created. That is why the unemployment rate went down from double digit numbers to 7.8 per cent in January, 1990. That does not mean there is not unemployment in Canada. Of course there is, in Newfoundland, in parts of Nova Scotia and throughout Atlantic Canada and in northern Ontario and elsewhere. We are fighting that on a day-to-day basis through job training programs and a variety of initiatives.

But the government and the Prime Minister will never lose sight of the fact that the thrust and energies of this government have to be directed towards job creation so that every Canadian will have a job. We recognize and have said many times—it bears repeating—that the best social program for Canada is full employment. That is where we should direct our energies.

I do not think anybody would deny that the thrust of the budget is the balancing of revenues and expenditures and the reduction of the deficit. How we reduce expenditures by almost $3 billion is by dealing with the transfer payments primarily. I do not think anybody should deny that and I do not think the Minister of Finance would ever suggest that it be denied.

There are, as has been detailed in the budget papers, very stern measures with respect to transfer payments. Why would the Government of Canada reduce, freeze or limit transfer payments? I think the answer is very obvious, and I think every provincial premier knows what the answer is. The financial situation of the provinces of Canada is much better than the situation of the Government of Canada. I do not know whether I need to detail that, but just so no one will think this is the member for Halifax West, this is a Tory talking.

The Financial Post says the same thing. In an article on February 22, 1990, it says that the provinces will have to do their part. I am quoting: "The provinces are complaining about finance minister Michael Wilson's budget, but he was justified in requiring them to do their part in fighting the deficit. Ottawa has frozen per capita grants for health care and post-secondary education for two years. Until 1977, established programs for financing transfers were strictly tied on a matching basis to the provinces providing health care and post-secondary education. The provinces wanted more freedom and since 1977 they have been able to use the funds in accordance with their own priorities. In some cases, this has been to support their general revenues."

• (1700)

Does anybody think that *The Financial Post* was mistaken when it published that? If you look at the record you will find ample evidence of what exactly has been going on.

While the federal deficit has been going up and the Government of Canada has been experiencing difficult financial times, the deficits of the provinces, particularly in Atlantic Canada, have been going down. Prince Edward Island has a balanced budget. New Brunswick is heading to a balanced budget. In the 1989-90 fiscal year, Nova Scotia reduced its budget by a windfall of $48 million and has announced that in the next fiscal year it would have a balanced budget. The same can be said about New Brunswick where Premier McKenna said that things were never better in Atlantic Canada in terms of the financial picture and structure. Newfoundland has experienced similar reductions in its deficits over the years.

As a result, in July, 1989 the total provincial deficit of every province of Canada amounted to $3.7 billion. The provinces of Canada all together had a collective deficit of $3.7 billion. Do you know what, Madam Speaker? Accounting for $2.2 billion of that was the province of Alberta where there is no sales tax and where most goods and services are cheaper than in any other part of Canada. The province of Alberta had a $2.2 billion deficit.

I can tell the province of Alberta how to wipe out that deficit. It can wipe that deficit out overnight. All it has to do is the same as the rest of us have done, impose a sales tax. Although I am sure that my colleagues from Alberta are concerned about the deficit, I do not think that anybody has to cry too much about Alberta.

Graphically demonstrated is the difference between the situation with the provinces. In the province of Nova Scotia, compared to Canada, we spend 35 cents of every revenue dollar on interest charges. The province of Nova Scotia spends 16 cents of every dollar on interest charges. The average across Canada is about 12 cents interest per revenue dollar. I guess that proves, does it not, who has the better financial resource in 1990. The provinces do.

The provinces, as *The Financial Post* and every other sensible and serious financial writer states, have to do their part. They have reduced their deficits because of transfers from the Government of Canada. It is not the Government of Canada, it is not the right hon. Prime Minister or the hon. Minister of Finance, it is the people of Canada. They are the taxpayers, that is where the money comes from. We are simply taking the money of the taxpayers of Canada and giving it to the provinces. Now the time has come for the provinces to take hold of their finances and take the appropriate action. While our expenditures have gone down to the point where there will only be a 3 per cent increase in 1990-91, the provinces expenditures have continually gone up with 10, 11 and 12 per cent increases.

The measures taken in the budget are serious and difficult for Canadians, but they are serious and difficult times. In the end, all Canadians, including the provinces of Canada, will benefit from a balanced budget. They will benefit from financial responsibility because it is only with financial responsibility that you show any concern for the people of Canada.

Mr. Manley: Madam Speaker, the hon. member referred favourably to things said by the new President of Czechoslovakia, Mr. Havel. When he was in Canada last week, he said that he believed any country that per-

mitted more than 49 per cent of its businesses to be owned by foreigners was stupid.

I would like to ask the hon. member if he agrees with Mr. Havel on that point.

Mr. Crosby: Madam Speaker, Mr. Havel, as you may or may not know, comes from a part of eastern Europe, Czechoslovakia, that has been closed to the rest of the world for over 30 years. You are not allowed to go into Czechoslovakia. When we went there last fall we had to go through all kinds of rigmarole to get into Czechoslovakia. Mr. Havel may find out as he travels around the world that his people are marching in the streets because they have closed the doors and gates of Czechoslovakia for 30 years. They have forgotten what was going on in the rest of the world. Now they will have to face up to the realities of the world and the mobility of capital. Where is Mr. Havel going to get his capital, if he does not seek outside help?

That is not the message I got when I was in Czechoslovakia. The message I got was they want the world to come to Czechoslovakia, they want help. That does not have to necessarily be ownership, there are other ways to control capital. We have said time and time again, you do not have to own, you have to legislate. That is the way you get control.

Mr. Langdon: Madam Speaker, there might even be unanimous consent in the House to permit the member to extend his speech. He is making such fine arguments for those of us on the opposition side of the House. For instance, he suggested that Alberta should simply create a sales tax. So much for the government's argument that there are no new taxes in this budget.

There is a $2.2 billion deficit in Alberta, so the member suggested raising a sales tax. I am certain the people of Alberta will be very pleased to hear that this parliamentary secretary, a relatively senior member of the Conservative party as a parliamentary secretary, is telling the people of Alberta: "You need a sales tax. That is what you need". I hope it will be reported widely in Alberta that the urgings of this parliamentary secretary are that Alberta should have a sales tax, that that is what this budget is about is to see that Alberta gets a sales tax.

Second, I want to suggest that the parliamentary secretary's long discussion about the importance of jobs is again fascinating to hear. I would like to hear him talk at great length about that. Then I would like to see him explain the fact that this budget takes us up to an 8.5 per cent unemployment rate from the present 7.5 per cent rate that exists in this country. That is not my projection, Madam Speaker. That is the projection of the Minister of Finance himself. Here is a member who gets up and says the key thing about economics, the key thing about a budget is that it should create less unemployment when his own budget that he is trying to defend creates a 1 per cent increase in unemployment which will fall particularly on his products.

The question I want to put especially to this member because he comes from Atlantic Canada is to ask him to give us some more of his sterling arguments in defence of this budget in terms of an interpretation, an explanation why this government, according to the Estimates, which were introduced today to this House, is going to be cutting the amount of money which goes in programs for the Atlantic Canada Opportunities Agency, the agency which provides help for his province. Why is there a cut in program activities from $379 million last year to the total for this year of $339 million?

I would be very interested in hearing his explanation why his part of the country should be hit so hard by this heartless budget.

• (1710)

Mr. Crosby: First, let me deal with the matter of ACOA. I direct the member's attention to pages 9 and 10 of Part III of the Estimates dealing with the Atlantic Canada Opportunities Agency. He will see as he reads that section that there is no such reduction. The difference in amount to $339 million is explained by the fact that $39.4 million was transferred prior to the Main Estimates to other departments to implement programs, that there will be a reprofiling of 10 per cent of the previous budget, and in fact, the amount available to ACOA will increase. The member can get that information from the Main Estimates. Of course, the member can also read what is said about the future for the Atlantic Canada Opportunities Agency in the 1990–91 fiscal year. It also explains the amounts that have been

spent in Atlantic Canada and the programs and the diversity of those programs compared to previous programs for Atlantic Canada.

The point with Alberta, let me try to make this clear so that the member will understand, it is who has the financial resources to meet all the obligations of all the services provided in Canada, including education, hospital care and the whole range of services. The question is who has the financial ability to provide those services?

Is it the Government of Canada taking taxes from the people of Canada, or the governments of the provinces taking taxes from the people of the provinces, or some combination of both? What we are trying to explain to those who do not even want to understand is that right now that financial resource appears to be more with the provinces than with the Government of Canada. In that way the provinces have the possibility to reduce their expenditures, as the Government of Canada has done, to raise taxes, to cut the programs that they may find are not essential at this time. So I hope the member would understand the whole concept of financial responsibility.

We do not want to hurt anybody. We do not want to raise anybody's taxes. We just want people to recognize that financial responsibility is the basis for government services and the continuation of the social programs that I am sure the member advocates.

Mr. John Manley (Ottawa South): Madam Speaker, this year's federal budget, at least in terms of its size and weight, has a reduction in expenditures. When we found ourselves the other day in the lock-up with four hours to study the document that was roughly a tenth of the size of what we have become accustomed to in budgetary times, we had, if anything, an excess of time.

I found myself as I looked through and considered what was in it actually feeling some sympathy for some of my friends on the other side languishing at the bottom of the polls having the difficult task of trying to persuade the people of Canada to accept the goods and services tax lying ahead of them and also having to take on a budget like this.

Then we came into the House of Commons, sat and listened to the minister read the text that was contained in here. To my amazement, the government members responded with enthusiasm. I suppose I should not have been amazed. Perhaps I am still too new to this place. But I was amazed to see the response that he got.

It reminded me of the story that we have all heard as children about the emperor's new clothes, and how the emperor was tricked into buying what he was convinced was an invisible set of clothes. He put them on and paraded not only before his court but before his people. They were too cowed by the emperor for anyone, except the smallest of their people, to come forward and say: "But the emperor has no clothes".

So when the Minister of Finance stood here the other day and read his budget speech, and his Cabinet colleagues and his back-benchers around him stood and cheered, I could think of nothing more than the emperor without his clothes. The issue that has to concern all of us, above and beyond the budget, is the issue of credibility. The question is whether, as we go into the very difficult times that we are embarking upon in this country, even by the admission of the budget papers themselves, does this minister, does this government have the credibility and the support of the Canadian people to take them into the difficult times ahead?

What does the budget say about the economy. I do not think that the minister in his speech really highlighted some of the things that his own document says. I suspect that the members opposite would not have been standing to applaud had he read, with conviction, words like this from page 43:

> The weakest period is expected to be from the fourth quarter of 1989 to mid-1990 with growth averaging below 1 per cent at an annual rate. The first quarter of 1990 could be particularly weak. No increase in economic activity from the fourth quarter of 1989 is projected and a one-quarter decline in output is possible.

A negative growth in the first quarter of 1990 is what the minister projects in his budget documents. Did he stand in the House and say: "Troops, we are about to have negative economic growth this quarter." Did members stand and applaud?

What does it say about the second quarter? It does not say anything about the second quarter. A recession, in technical terminology, is two-quarters of negative economic growth. We have accepted in the budget document the possibility of one-quarter of economic growth and in the second quarter he does not say what is going to happen.

I suggest that in this document we have an admission by the Minister of Finance of Canada that this country is currently in a recession, and the braying hyenas that sat around him stood and cheered.

What else does he admit in this document? He admits that consumption is going to slow. He admits that personal disposable income will fall. He admits that personal savings will decline. He admits that long-term interest rates will rise. He admits that housing starts will decline. He admits that inflation measured by the Consumer Price Index is going to rise. Underlying his assumption of the rise from 4.7 per cent to 5.1 per cent, he states that this assumes: "The one-time increase in the price level following the introduction of the GST is unlikely to be translated into higher wages." Even though he assumes there will not be higher wages because of the GST, he states that the CPI will rise.

Had he read those numbers out, and they are in his documents, I am not making them up, I wonder whether his colleagues and his back-benchers would have stood and cheered. I wonder whether they have even noticed it.

Then we look in here at the labour market and what does he say? What is the projection? The projection is for an increase from 7.6 per cent to 8.5 per cent unemployment.

I submit that the numbers that the minister has given us indicate that we are in a recession. Would he stand in this House and admit it? The Emperor has no clothes.

What did he say back in 1984? The previous speaker from Nova Scotia was very proud of the new course that this government took the country on after 1984. I went back to that November 8, 1984 economic statement. When I read those numbers and those projections, it was surprising. It evidences a strategy which is at best cynical. First, he made the numbers look as bad as possible, then he projected a worst case scenario, and then predicted how he was going to do so much better than this worst case scenario.

• (1720)

In other words, he said: "Look what would have happened to Canada if those Liberals had stayed in power". He depicted it. He gave the numbers in his 1984 statement. He said: "No, we have changed the course. We have gone a different direction. Here is what we are going to achieve".

He made such a point of trying to make things look bad that he actually overspent his own short-term projection in the fiscal year 1984-1985. You can read the figures for yourself, Madam Speaker, but the actual 1984-1985 results which showed the $38 billion annual deficit that government members love to cite, is actually $3.5 billion more than the minister projected on November 8, 1984. Could it be that every last nickel he could find to spend on anything, he crammed into those few months. Or, is it that he just cannot predict the numbers? In five months, he found a way to overspend $3.5 billion.

Now let us look at his worst case scenario, compared to his actual performance over the years since 1984. He said: "Oh, my goodness, if those Liberals had stayed in power, by the end of this decade federal spending would reach $137 billion. Wouldn't that have been terrible?" In his budget document this week, they have managed to make $143 billion the expenditure. He said: "If those guys on the other side had stayed in power, federal tax revenues would have reached $100 billion". He has managed to get it up to $120 billion. "The debt would have reached $408 billion". He has managed to squeeze that one down, I admit, to $380 billion. Interest on the debt was going to be $34 billion in that worst case scenario. We read this week that it is going to be $41 billion. Has he performed? My goodness, he has performed.

The emperor has no clothes. That was 1984. Four years of Tory government and we go into an election campaign. What does the Minister of Finance tell the people of Canada? He says: "Look at my new clothes. We have spending commitments. We do not have promises. Our promises cost nothing, because the money is all there. We will not touch social programs".

The Prime Minister of Canada says social programs for the elderly will be improved, not diminished. The Minister for International Trade tells the people that unemployment insurance will not be touched. The Liberals say: "look out people, they are going to cut social programs. They are going to cut regional development". The Minister of Finance stands up and says: "Those fellows are liars. They are just trying to scare the people. Look at my good clothes. I have a wonderful robe called regional development programs. Look at my new gloves.

That is social programs". We see now, that emperor had no clothes.

They cannot afford even the things that he said were already paid for, the OSLO project, the *Polar 8* ice-breaker. I am sorry, but I thought that money was already put aside. Maybe I misunderstood. Every nickel has been accounted for, that is what he said. But then days after the election, the interest rates in Canada started their sharp increase. At the end of November 1988 the interest rates started to climb. Then we see budget 1989, the Doug Small budget, and what happens? VIA Rail is slashed, the clawback of social programs is introduced, forces bases in various parts of Canada are closed, taxes are increased. What happened in those five short months between the election campaign when everything was rosy and that budget? We wonder why the people become cynical. We wonder why the people do not believe politicians when they stand up and talk to them.

Then there is the goods and services tax. The goods and services tax was that tax that was going to be fair, simple, revenue neutral. Do you remember when the minister described those clothes? He put on the jacket of revenue neutrality. In this week's budget, he says that the goods and services tax is going to help us reduce the deficit. I guess revenue neutrality means something different from the common meaning of those words. It sounds like if it is going to reduce the deficit that it is going to bring in more money than the old tax did. That of course is what we have been saying. It seems we can see right through his jacket of revenue neutrality.

Then the simplicity, he is going to wear the gloves of simplicity he said and held them up, white gloves of simplicity. We can see right through those too. We can see the simplicity that is going to emerge with having two retail level sales taxes in this country. Join me at my local corner store as we go in and take an item off the shelves and go to the clerk who starts to ring it up. There she is, she is 16, it is her first job.

She has to figure out whether the item is taxable under the GST and exempt under provincial sales tax, or maybe it is exempt under the GST and taxable under the provincial sales tax, or maybe it is taxable under both the GST and the provincial sales tax, or maybe it is exempt under both. It is one of those four. Once she has figured that out then you get out the discount coupon you clipped out of the magazine. She says: "Oh, no, not a discount coupon. Let us see, how does that work?" On the GST it comes off the price and then you add the tax. Under the retail sales tax, you calculate the price plus the tax and then you take the discount. So we have the price, minus the discount times 7 per cent, and then we have the retail sales tax added on, that is times 8 per cent, at least in Ontario, but that is with the discount added back in. We have got to add that back. Then we do the retail, but then we have got to take the discount off again. I think she might want to get a job somewhere else.

That is the goods and services tax, and again the emperor has no clothes. Fairness, those were the trousers. I will not describe the fairness, except to remind the House that six times I have asked the Minister of Finance to stand up in this chamber and explain whether or not the move from the manufacturers' sales tax to the goods and services tax represents the largest corporate tax reduction in the history of Canada. He will not answer that question and I defy him to stand up and do so.

Now we get to this budget, two themes: one, we are getting the deficit under control and two, there are no new taxes. That is what this budget is all about. Those are the clothes that the emperor put on in this budget. We are getting the deficit under control. This budget is the pass-the-buck budget. This has nothing to do with controlling the deficit. This has to do with transferring the deficit to other levels of government. In our own municipality of Ottawa—Carleton the elimination of the increase in the Canada Assistance Plan funding alone will cost this region $17 million a year, according to local officials.

• (1730)

The minister has put on the cloak of no new taxes. You cannot fault him for that, I am sure. After 31 tax increases since he became Minister of Finance, plus the introduction of the goods and services tax, how could he have possibly found room for new taxes? It would have challenged his creativity.

But there are taxes, and tax increases. There are the provincial tax measures that will follow from this budget. There are the automatic increases that come from deindexation and, of course, the goods and services tax.

I urge this House and the people of Canada to wonder with the financial numbers that have been presented in this document, with the reality that we are in—recessionary times—whether this minister or this government has the credibility to take Canada on through the times that follow.

If we are in a recession, as I think the minister has told us that we are, I suggest that this budget is the wrong budget for these times.

Mr. James: Madam Speaker, I sat here with a great deal of interest listening to the hon. member speak. I know he put a lot of thought into his speech. He certainly made it fairly interesting in talking about the Minister of Finance having no new clothes and so on.

I guess the thing that he seemed to be working on a lot was worst case scenarios. We did not need to have a scenario in the late 1970s and early 1980s. We had the absolute real thing. I would assume he would remember that the government of the day, being of his political persuasion, took this country into a recession. We do know that. We all went through that.

I most especially went through it in business. I received a notice from the bank every week telling me about rising interest rates until they reached 22.5 per cent. That was real. That was under his government's stewardship. Certainly there was inflation along with it.

I think Canadians knew that also in 1984. That is why they turfed that government out. It was wanton spending. The deficit was certainly an issue, and the long term debt was an issue in 1984. That was real. Canadians saw it and decided that that government could not manage this country. It was into wanton spending. It was moving on into $45 billion or $50 billion a year. It was spending $16 billion more on programs than in collecting revenues. Is that an example of stewardship in terms of Canadians' money? Sure it was.

The credibility of finance ministers in the past was noted by the member from Halifax who pointed out that these ministers referred not only to documents but they said that they were concerned about spending. What did they do? They just kept on spending, attempting to buy elections. That is what went on. Canadians decided that that was enough, and that they were all through with that sort of thing. That government was defeated.

They will look upon this government as having the political will to say: "We have to hold inflation down. We have to cut spending". That is what we are going to do.

The minister said in his speech that the economy is in a period of slower growth. He said that. He put it in the documents and he is up front in saying that we are going to look at a slow growth situation in this coming year. I certainly do not remember the Liberal government of the day telling me and my company that I was going to be paying 22.5 per cent interest. That almost put my business down, as it did so many businesses at that point in time. Talk about credibility. Talk about being cynical. I will tell you we sure experienced that with the Liberal government of the day. Yet this member stands up and is so critical of this government when he should be reflecting on what his party did to this country.

Mr. Manley: Madam Speaker, the member raises very important issues. In my speech, saying that the emperor has no clothes, I did not mean to trivialize the importance of the problems that face Canada. The argument he has made we have heard many times from across the way, not just in the context of this budget debate but in other debates on monetary policy and so on.

There is something that confuses me about government members making those arguments. What it reminds me of is my children. They are very good children. I love them dearly, as everybody loves their children. But sometimes you have to discipline them. Now and then I have to tell my eight year old son to stop hitting his sister. Very often his response is: "Well, she hit me first". Exactly what I keep hearing from the government across the way is: "Well, you did it first".

These problems we face are very important. I have heard nothing in the comments from across the aisle which suggest that the medicine administered in the early 1980s was the wrong medicine. I am sure the hon. member would admit that there was a global recession at that time. It was a recession faced not only by Canada. It was not of Canadian making. It occurred globally. What I have heard him say is that we are administering the same medicine now. He says that it is okay now, but it was not then. That does not make much sense to me.

I happen to think what we need to do to approach our economic problems in Canada is to establish for ourselves what the objectives are and what the key issues are. I agree that inflation and deficits are major economic problems. I agree that we need to address those problems. I believe that employment is also very important. I believe that this budget is a prescription for much higher unemployment, with very significant personal costs to individuals who are affected by it.

I believe that the time has come for Canada to lead the world in establishing environmentally sustainable development programs in this country. Yet in this document I see nothing about the environment. There is nothing to say that the government has any commitment to the rhetoric it has given out on the environment.

I see no evidence here that the important need for more investment in science and technology is going to be addressed by this government. There is a $38 million cut in science and technology.

In the cuts to transfer payments I see great costs, not only to our hospitals but to our post-secondary educational institutions. I suggest that these things do not lie in the area of expenditures. Governments are wrong when they look to cut back this kind of item in order to balance budgets. I suggest that these are in the realm of investments. My friend has been in business. He knows you treat those differently.

In education, it is as simple as this. If we think education is expensive, wait until we begin to absorb the cost of ignorance.

Mr. Whittaker: Madam Speaker, first I have to tell the member that I did enjoy his speech. It was a well prepared and a well delivered speech.

I would like to talk a little bit about his trip across Canada with the finance committee. Does he see some of the same things and patterns I have seen in travelling with that committee, things that I see projected and increased in this particular budget.

I refer to the regional disparity question, the major regional disparities that have not been looked at in the goods and service tax. We see the increased regional disparities as a result of cuts in this particular budget not paying attention to the east or the west.

• (1740)

I ask him whether he would he agree with me when I say that the finance minister and his wealthy friends are going to end up with all of the clothes of the nation while he strips the majority of Canadians who will end up left bare and shivering in poverty?

Mr. Manley: Madam Speaker, perhaps, as my friend suggests, there will be more than the emperor with no clothes. What we have in the goods and services tax is a withdrawal of the federal government from the vision of a strong, national Canada. You have it with the GST because transportation costs will be taxed under a federal sales tax, increasing the burden on the regions as they acquire things from the central manufacturing areas and making it more difficult for them to build their own manufacturing base.

You see it in the budget as you see the withdrawal from regional development programs, the fundamental changes to those programs that will make it more difficult for the federal government to play a role in building the regions of Canada. You see it in the cut-backs of transfer payments to the provinces, where the federal government is just going to have to stand back and take a back seat to the provinces in what they do with investments in medicine, health care and post-secondary education.

You see it in things like the cuts to the Canadian Broadcasting Corporation. The minister responsible does not even think that the CBC should be concerning itself with national unity or so he told a House of Commons committee.

This is a budget that is characteristic of a government that is withdrawing from the nation.

The Acting Speaker (Mrs. Champagne): Resuming debate. The hon. member for Regina—Wascana.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, at the outset of my remarks today I was going to say how pleased I am to be able to address this very important subject, that being the debate on the budget. However, given the minimum amount of time I will have today, I will barely get into the subject so I will confine my remarks to the approximate three minutes that I have left.

The thing that we must consider about our budget is that it has no new taxes. The people of Regina have often written to me and, in turn, I have passed on the message to the federal government, as have all of my

colleagues, saying that they do not want any more taxes and, believe me, I do not want any more taxes. Not even the NDP wants any more taxes. To that extent, we think similarly.

Now they are indicating to me that that is not their position. Is it their position that they do want more taxes? I mean, that is the converse. I have to expect that that is what they are saying. However, we will let them have the opportunity of really telling us what they mean if they can bring their consciences to the table and make it clear as to whether or not they want new taxes.

It is our position that Canadians do not want new taxes. I understand from the far end of the room that the NDP wants new taxes. We will find out whether or not the public of Canada can tolerate socialism and the obsession that socialists have for sneaking taxes in the back door in direct contrast to the program that our Minister of Finance has attempted to lay before the citizens of Canada.

Canadians want to rid themselves of the burden of increased taxes. At the same time, they want to maintain the same level of social services that they have been accustomed to and this budget in no way, shape or form affects the provinces' capability of delivering those services to their people.

This budget has no new spending plans either. It has no new ways to spend more borrowed money. In Saskatchewan and across Canada people are telling us to cut spending. Members of Parliament have been telling Michael Wilson to cut spending, and now we have the minister's answer. It is: " Yes, I will cut spending and cut spending again. I will do it across the board on a wide range of programs." The Minister of Finance and the Conservative party are listening to the people of Canada and we have acted on what we have been told to do.

At the same time, we have taken the pill to address the cavernous debt that is strangling our ability to be free Canadians. No other political party has the intestinal fortitude or the plain guts to address this problem. It is a difficult time.

The Acting Speaker (Mrs. Champagne): I must interrupt the hon. member.

[*Translation*]

It being 5.45 p.m., it is my duty, pursuant to Standing Order 84(4), to interrupt the proceedings and to put to a vote forthwith all questions needed to dispose of the subamendment now before the House.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 195*)

YEAS

Members

Allmand	Althouse
Angus	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Baker
Barrett	Benjamin
Black	Blackburn (Brant)
Blondin	Boudria
Butland	Catterall
Finestone	Funk
Gagliano	Gardiner
Gray (Windsor West)	Harvard
Harvey (Edmonton East)	Hopkins
Hovdebo	Keyes
Langdon (Essex—Windsor)	Manley
Murphy	Nault
Nystrom	Ouellet
Pagtakhan	Parker
Peterson	Prud'homme
Rodriguez	Simmons
Skelly (North Island—Powell River)	Stewart
Vanclief	Waddell
Walker	Wappel
Whittaker—43	

NAYS

Members

Anderson	Andre
Atkinson	Bernier
Bertrand	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Crosby (Halifax West)
Della Noce	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Friesen	Gibeau
Greene	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jacques
James	Joncas
Jourdenais	Kempling
Landry	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Mayer	Mazankowski
McDermid	McKnight
McLean	Merrithew
Moore	Mulroney
Oberle	O'Kurley
Plourde	Pronovost
Redway	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Scott (Hamilton—Wentworth)	Siddon
Tardif	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Van de Walle
Venne	Vézina
Vien	Weiner
White	Wilbee

Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)—104

• (1810)

Mr. Speaker: I declare the amendment to the amendment lost. The hon. member for Beaver River is rising on a point of order.

Miss Grey: Mr. Speaker, I would just like it to be on the record that I am in the Chamber at present and am choosing to abstain on this motion.

Some hon. members: Oh, oh!

Mr. Cooper: Our rules are very clear, Mr. Speaker. We come into Parliament to vote either yea or nay. We do not come in to abstain.

That is clearly out of order.

Mrs. Catterall: Mr. Speaker, I appreciate the intervention of the hon. member who just spoke. However, I think that he is either mistaken or he is not living by the same rules he is now quoting.

I recall a vote not six hours ago in which he and all the members of the government party sat and did not vote on a motion that was before the House.

Perhaps the Speaker could clarify what the rules are.

• (1815)

Mr. Benjamin: Mr. Speaker, I also rise on this point of order. There is no such thing as an abstention in the House of Commons. All it means is that the hon. member who was just up bragging about not voting was not here. There is no such thing as an abstention.

Mr. Clark (Yellowhead): Mr. Speaker, I want to rise on a point of order to indicate that I was in the House of Commons. As the people of Alberta expect me to do, I was here voting, not hiding out.

Mr. Boudria: Mr. Speaker, I rise on the same point of order. I think members from all sides of the House will be aware that members from time to time are in their places and choose to abstain. If that is wrong, perhaps the matter should be referred to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business. Until such time as that happens any member is free to vote or not vote if and whenever he or she wishes to do so.

Mr. Malone: Mr. Speaker, I rise on a point of order because I think there is an important matter here that the House does need to consider.

First, there is the question as to whether or not there is such a thing as an abstention. Our rules do not provide for that.

More important, we have also over a period of time engaged in the practice of attempting to explain votes, to say how we would vote if we were in the House when we arrive late for votes. I think that these matters ought to be undertaken because Parliament has been the place where we come to stand up to be counted. The parliamentary system is set up for a vote that is either yes, you are for it or no, you are against it.

This is not the United Nations which is the only place that I know of that allows for an abstention. It is not a place where we allow for the explanation of how we vote.

Explanations take place during debate on second reading, in committee stage and at third reading. It is inappropriate that we continue a practice that is in conflict with our parliamentary practices.

Mr. Murphy: Mr. Speaker, I rise on the same point of order. I do not mind the new found righteousness of the government, but I wonder if the member for Portage—Interlake would explain why he abstained last year on the base closing in his own riding.

Mr. Speaker: Perhaps the hon. member will some day make that explanation, but I can assure hon. members that he is not going to make it at this present moment.

It being 6.18 p.m. this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Friday, February 23, 1990

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (for the Minister of Regional Industrial Expansion) moved that Bill C-56, an act to amend the Small Businesses Loans Act be read the second time and referred to a legislative committee.

Mr. Barry Moore (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, all members of this House are well aware of the central importance of small businesses to the economy. Only a few months ago, we tabled the first report on small business in Canada. This report drew attention to the vitality and significance of the small business sector in this country. The report also marked the government's strong commitment to the sector and our concern to help small business respond successfully to the challenges of tomorrow's world.

A thriving entrepreneurial sector is a mark of a dynamic economy and in Canada we have a thriving entrepreneurial sector.

• (1010)

[*Translation*]

We on this side of the House are proud of the government's contributions to create a favourable economic climate for private sector initiatives. Since 1984, more than 150 new businesses have been created every year. These businesses have been incredibly sound. In fact, over the last ten years, more than three quarters of all these new companies survived their crucial first year of operation. Today, roughly 900,000 companies in Canada have fewer than 100 employees. This means that nearly 98 per cent of our companies are small businesses.

[*English*]

These businesses are job creators. Between 1978 and 1987 small businesses accounted for more than 80 per cent of all net new jobs created in Canada.

[*Translation*]

I would like to point out again that the growth of small businesses is at the heart of our government's regional development strategy. We firmly believe that local initiative has the best chance of becoming solidly established. The regional agencies like those in Western Canada, Northern Ontario, the Atlantic and the resource regions of Quebec adopt this philosophy.

[*English*]

Small business is also a significant platform for the economic take-off segments of our society which have often found roadblocks on other avenues to success and to profit.

Women, for example, own almost 22 per cent of all businesses with paid employees. That is up from 18 per cent at the beginning of this decade.

Young people and ethnic groups are also well represented in this sector. More than 100,000 Canadians between the ages of 15 and 24 own their own businesses. That is another incredible statistic.

Also significant is the amount of research and development undertaken by small businesses. In 1987, 67 per cent of the firms performing research and development in Canada had fewer than 50 employees and more than three-quarters had fewer than 100. This is a substantial increase since 1984 and of key importance to the well-being of the economy as a whole.

Such a link between the small business community and research and development is perhaps to be expected since small business people often show the same characteristics as those ready to get into technology development.

They are creative, independent, spirited and ready to take risks.

One of the biggest hurdles which these risk takers have to face is that of obtaining capital, especially start-up capital. That is why we are proposing in Bill C-56 an extension to the Small Businesses Loans Act. The Small Businesses Loans Act is a popular federal initiative which is invaluable in encouraging the start-up and growth of small businesses in Canada.

[*Translation*]

Being from an outlying region myself, I am in a good position to tell you how important this tool is for regional development.

[*English*]

The program facilitates loans for the purchase of fixed assets for small businesses with annual revenues of less than $2 million.

These loans can be up to $100,000, though the average loan in 1988-89 was about $38,000.

The government's role is to provide lenders with a guarantee for reimbursement of 85 per cent of any losses incurred on eligible loans. The private sector's role is to assess the risks and deliver the loans.

This is a division of the responsibilities which we believe leaves business free to do its job of looking after business while the government sticks to its role as a facilitator, enabling the private sector to go for growth opportunities.

[*Translation*]

In 1988-89, about 18,000 companies benefited from loans made under the Small Business Loans Act. If these businesses were located side by side, they would line both sides of a street extending from Toronto to Barrie, Ontario.

About 40 per cent of these loans were granted to help new businesses start up. If these loans had not been given, it is likely that these companies could not have begun operations. That makes this law an essential tool for maintaining the growth and development of entrepreneurship in our country.

[*English*]

The bill asks for a three-year extension to this highly successful program and provides for a loan ceiling of $2 billion for the total amount of loans registered.

The three-year extension starts March 31, 1990 when the existing act expires.

During the course of the extension we will be continuing our examination of the program to ensure that it meets the needs of small businesses.

We will be looking seriously at ways in which the program could be enhanced by possibly modifying terms and conditions and eligibility requirements. Because of the critical importance of this program, the Minister of State for Small Businesses and Tourism will be taking a personal interest in this review.

I ask the House through you, Madam Speaker, to give this bill urgent consideration. Lenders and their small business clients must know well in advance of the March 31 deadline that the program will continue.

It is a popular program. It works. It contributes to the good health and potential of Canadian entrepreneurs.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I welcome this opportunity to take part in this debate on a bill that will amend the Small Businesses Loans Act by extending it for another three years, until March 31, 1993. First of all, Madam Speaker, I would like to say we intend to co-operate with the government so that Canada's small businesses will know that on April 1, they will still have the use of this development tool they so badly need.

That being said, Madam Speaker, I would like to provide a little information on developments in this area during the past five years, and especially in this legislation, because some major changes were made in 1985.

Let me say, first of all, so that people will understand the importance of small business in Canada, that these businesses, all of which have fewer than 50 employees, created over 95 per cent of the jobs in this country in recent years, paid 25 per cent of all salaries, were responsible for about 8 per cent of the total value of Canada's exports and are responsible for 25 per cent of the Gross National Product.

To get back to our subject this morning, the Small Businesses Loans Act, the legislation, which has existed

for years, is amended from time to time. Its purpose is mainly to help small businesses obtain medium-term loans to finance tangible assets such as land, commercial premises and tools.

Some major changes were made in April 1985 by the Conservative government. The definition of small businesses was amended to include all businesses whose estimated gross annual income did not exceed two million dollars.

Since 1985, an initial fee of 1 per cent of the loan amount may be charged. Before 1985, new businesses or entrepreneurs who qualified on the basis of their sales could borrow up to $100,000, and the loan, granted by the bank and guaranteed 100 per cent by the government, did not entail any charges. In 1985, the government imposed a fee of 1 per cent of the total loan amount, which was one more burden on small business, especially since most of these loans were used by new businesses as start-up funding, and charging them 1 per cent only add to their expenses. We pointed this out at the time.

• (1020)

There were other changes that we felt were also very substantial and to which we vigorously objected. Starting in 1985, the government would guarantee only 85 per cent of the loan amount, while the remaining 15 per cent became the bank's responsibility. We all know how banks operate in this country, Madam Speaker. The banks recovered this 15 per cent from the people who applied for the loans. I can assure you a number of my colleagues and I can name several instances in which constituents who tried to set up a small business were turned down by the bank because they had no credit rating and didn't have enough start-up capital, even if the project was a very good one, and all because the banks had to guarantee that 15 per cent.

This amendment, introduced in 1985, has deprived us of new, good small businesses that might have expanded to become medium-sized and even large businesses, creating jobs in this country.

Madam Speaker, I wanted to mention these facts, and today, the statistics prove we were right. When I look at reports on small business loan activities since 1985, if I look at the first year, the year ending on March 31, 1985—this was the year before the new amendment became effective—that year we had 34,744 loans totalling $1,600,322,008. A year later, the year the new legislation came into force, the number of loans dropped to 23,588, totalling $737 million. In 1987, the number of loans declined further to 21,145, totalling $709,901. In 1988, according to my last report, we were down to 18,640 loans. It was the only program small businesses had, and all this happened because in 1985, the government wanted to reduce the guaranteed amount and charge small businesses a 1 per cent fee for these loans.

When we saw activity had declined 50 per cent, we told the government that created the problem that we felt hundreds of jobs had been lost which small businesses would otherwise have created, if they been able to benefit from the boost afforded by a small business loan.

Madam Speaker, loans to small business were not the only thing that the government cut; there is also the Federal Business Development Bank, which essentially provides, or this morning I should say used to provide, three types of services to business: loan services where it only serves companies that present at least letters of refusal—at least, that is what it should do, but I do not know if it actually does; investment services where it provides companies with share capital for a limited time or helps companies find investors; and management consulting, counseling and training services.

Last year, Madam Speaker, the government cut 50 per cent of the consulting budget and this was the only service that provided young companies with advice and information on good management and thus helped ensure the survival of small businesses in difficulty.

The loans to small businesses should go to small businesses and not to medium-sized ones. But yesterday, we learned that there would again be fairly large cuts in this area.

So we see that the scope of the Small Business Loans Act that we are considering this morning is being reduced and that the loans made to business by the Federal Business Development Bank are being reduced too.

Yesterday, we learned that $18,755,000 had been cut from the Federal Business Development Bank. I think there is something wrong with this government's approach because salary costs are going up by $0.7 million; that is, the civil servants are getting increases while the programs are being cut. We need to keep these pro-

grams, Madam Speaker, and not necessarily increase the civil servants' salaries.

I should like to quote from the document entitled *1990–91 Main Estimates, Highlights by Ministry* issued by the Treasury Board of Canada: The decreases are: $9.4 million deferred to 1991–92 and reclassified to non–budgetary for the venture capital activity which is for equity financing,—also an additional $10 million.

Last year, Madam Speaker, the governement cut $13 million. This year, $18 million. There is hardly anything left. When we see that the number of loans to small businesses went down from 35,000 to only 18,000, we realize that we do not really have the tools. This government is getting rid of all the tools which are necessary to develop small business in Canada and create new jobs. The statistics clearly show that small businesses create jobs when there is a recession, an economic crisis.

This morning, Madam Speaker, I can give you an idea of the way this government abandoned this sector. It is not only the financing. I am sure all my colleagues will agree that this sector needs funds. If there is a sector in Canada where financing is inadequate, it is the small business sector.

When we think of what will happen to the small businesses following the implementation of the GST, as my colleague said earlier, we understand that there is not enough financing and that the small businesses will get even smaller. I think we can believe John Bullock who predicted in the pre–budget brief he submitted to the Minister of Finance (Mr. Wilson) on the GST that small businesses will be wiped out.

If I may quote from page 2 of the document submitted by Mr. John Bullock, President of the Canadian Federation of Independent Business:

> The small grocery stores and the establishments regrouping food stores and restaurants will be especially affected and will experience tremendous enforcement problems which will compel a great many of them to close.

It's clear! He forsees that as soon as the GST is implemented, a great many corner stores and convenience stores will go bankrupt!

He explained, and I quote:

> They will have to keep a register of purchases.

When the minister suggests accounting will be simple, that there will be cash flow improvements, he comes up with an accounting example that is out of this world, Madam Speaker, because it is not real. Here is what the Canadian Federation of Independent Business has to say:

> —a purchase register will have to kept, referring to each invoice, in order to make a distinction between the sales tax levied by the province and that imposed by the Canadian government. The latter will extend no credit on that part of the purchase price made up of the provincial sales tax. An invoice–by–invoice computation will also have to be made for purchases of services that do not inlcude the GST, such as bank interest charges and insurance premiums.
>
> In addition to varying rates and exemptions of the GST and the nine provincial sales tax systems, businessmen will be faced with different tax application methods, different bookkeeping systems, different formulae, different returns, different audits, different penalties and different types of tax–on–tax structures. This places an unfair burden on small businesses, but especially the 265,000 retailers and most of the 450,000 manufacturers, wholesalers and service firms involved in retail sales.

• (1030)

Madam Speaker, it is a burden on all small businesses in this country. That was not said by the Official Opposition but by the Canadian Federation of Independent Business, and I imagine it knows what it's talking about, since it represents thousands of small businesses.

The federation conducted a survey on the subject after the tax rate was reduced from 9 to 7 per cent. And what were the results of this survey? In the small business sector, opposition to the GST has become even stronger. The survey, carried out in January, 1990, covered a sample consisting of 1,372 members of the federation. Of this group, 68 per cent were opposed, a drop of about 10 per cent compared with the results of the Angus Reid survey. This response shows that small businesses are very much aware of the incredible problems they will face in 1991.

We have a situation that is very serious indeed. It is due too lack of funding and a lack of awareness. When he launched his tax reform. Madam Speaker, the Minister of Finance (Mr. Wilson) had said repeatedly in this House that he would propose a simple system. Here we have a system that is so complicated that even institutions representing small businesses—that small businesses themselves are talking about closing down! It discourages them from investing, and we all know the kind of sacrifices these people make to establish a family business. They work day and night, the whole family, husband, wife and children. And now we are going to

expose them to this administrative nightmare and let them worry about whether yogurt or doughnuts will be taxable!

Madam Speaker, I think this government has completely abandoned small business. This morning, there were rumours that we might get a new Minister of State for Small Businesses and Tourism. He is not in the House this morning, but I hope that whoever is appointed Minister of State for Small Businesses and Tourism will defend that sector. We need someone in cabinet who speaks for this group, because the way things are going now, if interest rates keep rising and taxes as well, we are going to have a recession. The only sector that will be able to create new jobs in a recession is the small business sector. I hope the new minister will realize that.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is a pleasure to discuss today the changes which I am pleased the government has seen fit to extend to the Small Businesses Loans Act. The act has been beneficial even in the form that it is in to a number of small businesses. I suggest that perhaps it needs expanding. However I will talk about that later.

My friend in the Liberal Party has spoken about the need for a strong minister responsible for small businesses. I understand we still have after the shuffle the same minister for small businesses.

First, I would like to say that we in this party will assist, because we want to assist and we understand how important small business is, the government in ensuring the passage of this bill to committee as soon as possible. A number of people in my party have a great interest in small business and will be speaking on this bill this morning.

However, we can tell the government that we will not be holding this bill up. It has a limit; it must go through by March 31. We feel it is important that the guarantees of the government and its assistance to the banks proceed on schedule to ensure that small business knows and is able to plan for the future. We will be looking at the bill in committee and perhaps pushing a little bit, but will not hold the bill up unduly today.

As I understand the bill does a number of things. First, it extends the period that the government will guarantee loans from April 1, 1990 to March 31, 1993. The principal amount of total loans registered will be set at $2 billion. For small business people looking in the aggregate as they may well understand is the total amount of loans the government will guarantee for the banks or for the lenders.

The bill also provides for a number of technical amendments to clarify a number of things. For example, the various costs which may be charged by a lender to a borrower and which are required to be prescribed in the regulations. It goes on with the manner in which the rate of interest is to be prescribed and changed from time to time, both prior and subsequent to the payment of a claim, and any maturity date to be revised for terms beyond the maximum set out in the act shall require the minister's prior written approval.

I want to put a plug in for the Scrutiny of Regulations Joint Standing Committee between the Senate and the House of Commons. Most people in this House are not aware that committee exists. The people of Canada are not aware that there is a committee which looks at all regulations. Most government departments and many laws in this country are governed by regulations of Orders in Council. All of those are scrutinized by the members and staff of the Scrutiny of Regulations Committee. They look at the possibility of whether they have overstepped their bounds or fallen short of what they are supposed to do.

A number of recommendations were made by the committee where there were variances in regulations and some of the things bureaucrats and departments were doing with respect to the Small Businesses Loans Act. This bill looks at some of those points and corrects what has been pointed out by the Scrutiny of Regulations Committee.

I compliment the government and this department for taking that initiative, and the Scrutiny of Regulations Committee for its tenacious pushing to ensure that the interests of the people of Canada are looked after.

As my friend has done, I would also like to use this opportunity to speak about the small business community within Canada and the importance of that community to all Canadians and to the economy of Canada, present and future. Some of the statistics show us that in the past 10 years since 1980 something like 70 per cent of all new jobs created in this country has been created by small business. That is a very significant factor. It shows, as the

parliamentary secretary to the minister has pointed out, that we have already started shifting in this country to an emphasis on small business. More and more the small business community is becoming the backbone of Canada, as I am sure most people realize it has been in the past.

If we look at various studies we find that the small business community creates jobs for Canadians. It reinvests profits from small business back into Canada and the people of Canada. That is something that we as Canadians must strive for. We must ensure that the jobs we are creating are jobs created for Canadians, by Canadians; that the profits we make are sunk into the future of our country and our youth; and that we do not place a major emphasis in the future on large corporations, multinationals that pull their profits out of the regions or areas as they see fit.

• (1040)

If members opposite are looking upon that statement with a little scepticism, I would like to tell them a little story about their own Conservative government in the Northwest Territories. When we met with them in the finance committee, they discussed the future of the Northwest Territories and how the goods and services tax was going to affect the small business or the business community in the Northwest Territories.

What they told us was, yes, although the large business resource sector is a major portion of the Gross Domestic Product of the Northwest Territories, in fact it creates very few of the jobs. Only something like 20 per cent of all people employed work in the resource sector.

What they told us is that most of the profits, instead of going for development and exploration in the Northwest Territories, are being pulled out and used for development in other countries where they feel it is cheaper or easier to develop their resources.

I am using this as an example to show the propensity of multinational corporations, large corporations, to pull their profits out of the country rather than invest them back in. Small business does not do that. Small business I would suggest is the way of the future, and it continues to reinvest in the country.

We as members of the House of Commons and as legislators for the country have to consider our future in looking at assistance for the small business community. This bill is the first step and the first step only in moving toward where we want to be with respect to small business in Canada and the assistance we should give it.

I look at the little we did get in the Estimates and in the budget, and again I have to wonder about the government's commitment to small business. As my friend in the Liberal Party has pointed out, there were $13 million in cuts to management services in the Federal Business Development Bank last year, and in the Estimate we find $18.5 million in further cuts projected for this year. We do not know yet exactly where those cuts are going to come within the Federal Business Development Bank, but any cuts to that area are direct cuts at and to the small business community.

I shake my head and I think maybe the minister and those across should do the same. Where are we going if we continue to cut out programs for a community that is going to create employment for the future of Canada? What are we doing? Why are we doing it? It seems to me and to those members in my party that if we are to encourage employment and a reasonable economy for the future, we have to encourage those who create the jobs and reinvest in Canada. That is reinvestment in the small business community.

I know that the Canadian Federation of Independent Business has a number of things that it would like to see done for the future for small business, including perhaps better loan guarantees, not necessarily anything dealing with grants to small business. I think that grants have a place. I do not think it is something to be encouraged. Certainly I think that grants to large corporations can well be cut out. If we are going to consider the grant system, the emphasis of those grants should be on the small business community.

It appears again that it is the small business community as opposed to the medium sized business community where the emphasis should be placed, because a flourishing small business community means a flourishing economy and hope for the younger generation for the future.

Let me turn to what I have seen, aside from the cuts to the Federal Business Development Bank, in the small business community and where this government appears to be going. It seems to be ignoring what I have just pointed out. Let us look at how it has hit the small business community and its policies on high interest rates. When I spoke to the Minister of State for Small Businesses and Tourism last spring, he asked me how we could help the small business community.

What the small business community would like is lower interest rates and a knowledge that those interest rates are locked in for a period of time so that it can budget properly for the future. As a small business person there is nothing worse than knowing you are tied to the prime rate and watching the prime rate climb as it is doing at the present and as it was doing in the early 1980s.

Small businesses dropped like dead flies. There were bankruptcies and receiverships when the interest rates climbed. In most cases when they are new and starting up they simply cannot stay viable. As the interest rates climb, more and more of their income and profits go into paying the interest rates on their operating loans and their capital loans. It is not good enough to say that we are guaranteeing you at 1 per cent above prime, because when prime climbs to 15 per cent, to 16 per cent, or to 17 per cent, it makes it an impossible burden for small business persons.

That is the difficulty in having your own business and running it, even with the knowledge that you can make it if you work hard and your family works hard. What about those forces over which the government has control? If interest rates are allowed to climb out of control, you are going to go down and end up as a small business person, with your family, on the dole or trying to get jobs in my area doing anything you can, in the farming community as a picker or whatever, in order to keep food on the table. That is not the way to go. We must have stability for those people to ensure that they are fairly treated.

Let's look at the government's policy on the goods and services tax. I cannot emphasize strongly enough that the goods and services tax is not a tax that is healthy for the small business community. There are no small business people who want the tax in spite of hearing people like Mr. Sabia and Mr. Dodge from the finance department say: "It is going to be simple. There is no problem with administering this tax."

I would suggest that those people sit in an ivory tower. Have they ever been down slogging? Have they ever been down working as these small business people do until late at night and then have to do their books? There is a factor of inheritance in some jobs. Some people go through university and then straight off into the academic world or into government positions where they do not have to worry where that next pay cheque is coming from. The people in small business do. Any little extra that they have to pay out can directly and drastically affect the viability of that business.

The other thing that people who are in the upper echelons of the bureaucracy in the Department of Finance do not realize is that these small business people try to do their own book work because of the difficulty in viability of their businesses. With the goods and services tax they will have the nightmare that we heard about of compliance with all of the added steps they have to go through. To a person designing the system it does not cause any problems, but it does for the business person out there doing it. It causes massive problems. These business people lie awake at night worrying about what they are going to do and how they are going to make ends meet, how they are going to employ a bookkeeper, and the cost to them is horrendous.

• (1050)

This week I spoke to a small businesswoman in St. John's, Newfoundland. She is a manufacturer. She talked to me for three-quarters of an hour discussing some of the problems that were brought down on her not only as a result of the goods and services tax but as a result of some of the policies of the government as far as loans, as far as contracts to the small business community, and as far as the difficulty in dealing with banks in trying to get financing. She told me that there is something that they have not looked at in the goods and services tax or they have been ignoring, that is, the added financial burden to small business people.

For instance, if a small business people do business with the government, it is notoriously slow in paying its bills. It is not uncommon to run a 60-day or 90-day receivable. They have to carry the goods and services tax as a receivable. Until they get their money, it runs on their loans. If they do any type of business at all it means an added financial burden on them. It is unfair, I would suggest. It is shameful that the minister and his henchmen have not considered what this tax is going to do to the small business community.

This woman also pointed out the difficulty in financing. It was interesting. I made a speech last spring on small business pointing out the difficulties that the small business community had in dealing with banks at the present time that do 85 per cent of their financing. I pointed out the difficulties over and above that which women have.

I received a letter from the vice-president of a major bank shortly thereafter pointing out that the policies were policies of equality. That surprised me, so this past year I spoke to a number of business people across Canada and discussed whether they as women ran into any difficulties with the banking community. I have not yet met one who has not had some type of difficulty with the major banks in requirements of collateral. In a number of cases their husbands had to co-sign for their loans. Why?

We know that women are moving more and more into the small business area successfully. As the parliamentary secretary has pointed out, 22 per cent of all businesses with paid employees are owned by women, and that is growing. Our statistics also show us that as women move into the business community they are more successful in those pursuits than are men who start up a new business. They have a much higher success rate, yet they are treated like second-class citizens when it comes to getting loans.

I say to that vice-president of that bank that he may pay lip service and he may point out studies, but the studies I have seen and the people with whom I have spoken indicate that although it is changing it is not changing fast enough.

We have to start treating youth, women and small minority groups equally. Because of the success that women have had in business, it is not good enough to pay lip service and simply say that we are doing everything and they are being treated equally. When we talk to Newfoundlanders and people in the Yukon, the Northwest Territories, northern Ontario, British Columbia and elsewhere across the country, we know that they are not being treated equally.

The small business community is required, unlike large corporations or large businesses, to put up more collateral. Even with the Small Businesses Loans Act guaranteeing 85 per cent of these loans, large banks still triple dip. They require personal guarantees, they require corporate guarantees, and they require collateral up to at least three times the amount of the loan. Often they require cross-guarantees of spouses. Yet these loans are guaranteed by the Small Businesses Loans Act up to 85 per cent.

This is where I would suggest the Federal Business Development Bank comes in. If properly managed and directed, it can be a definite advantage to the small business community as a one-stop shop for entrepreneurs, as a place where I as a business person could go to find out what I have to do to incorporate and investigate banking needs, accounting needs, and loan needs. The whole range should be dealt with in one shot and can be dealt with through the Federal Business Development Bank.

In addition, I would suggest that the Federal Business Development Bank could be used not as a lending institute of last resort but as a lending institute to ensure that small business people who are starting up and need capital at a reasonable rate to do so have a viable place to go. I suggest that we can do it if the will is there for the government to do it.

I would like to touch on farmers as a viable small business community before the hour runs out. We as legislators must recognize that farmers are a major small business thrust. We must look at assisting them as small business people in looking at the future of our country. More and more farmers are becoming sophisticated. They have all their books on computers, but like other small business people they need help in training to be able to run their businesses as businesses. The Federal Business Development Bank and the Farm Credit Corporation could have and should have a thrust in this area.

I simply want to encourage this government to pay attention to the small business community, the community of the past, the community of the future, and the community that we in the New Democratic Party say will be able to lead this country into a strong economic future for all Canada.

The Acting Speaker (Mrs. Champagne): It being eleven o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

SMALL BUSINESS

Mr. Marcel R. Tremblay (Québec Est): Madam Speaker, I would like to insist on the importance of capital for small businessmen, especially the daring Canadians who moved to set up a business and compete with the best. It is clear that small business people constantly view obtaining capital as one of the major challenges they must meet to start a business and make it grow. It is impossible to start a local newspaper, open a motel, even set up a micro-chip factory without financial resources. Therefore, if we want enterpreneurship to thrive in Canada—and who would wish otherwise because it is the prime mover of our economy—we must ensure that small businesses have access to sufficient funds to start up and grow.

Madam Speaker, this is indeed the goal of the Small Businesses Loans Act.

* * *

[*English*]

EXTERNAL AID

Mrs. Christine Stewart (Northumberland): Madam Speaker, the lack of clear policy and the ease with which this government makes and breaks commitments, not only to Canadians but to the world community, is appalling.

In the House last May the Minister for External Relations said: "As soon as next year, we will increase aid funding which will grow by $800 million over the coming year, and that, Mr. Speaker, is a firm commitment."

Instead, in this year's budget the government is not only spending $116 million less on foreign aid than committed by the minister, but it is putting a 5 per cent cap on increases in official development assistance, so that over the next five years the government will be spending $558 million less onforeign aid. This is in addition to the $1.8 billion reduction in last year's budget.

Canada's foreign aid is a key component of our foreign policy. These continued cuts undermine Canada's credibility and weaken our voice in international affairs.

This government does not seem to grasp the changing nature of the world. In an increasingly interdependent world, world peace cannot be achieved by ignoring the needs of the Third World. Foreign aid is not charity. If the government cannot be compassionate, then it should recognize that Third World poverty has a direct negative impact on Canada's economy, environment and global security.

If the minister understands the linkage of Canada's well-being to foreign aid, why did this minister not vigorously defend the best interests of her program and department? Why do we hear from her only a weak justification for short-sighted cuts?

* * *

[*Translation*]

INCREASED PRESENCE OF WOMEN IN ENGINEERING

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Madam Speaker, yesterday I accompanied the Minister of Science and Technology and the Member for Outremont to the polytechnic school to present engineering students with Canada Scholarships. I took this opportunity to let the public know about the private sector project supported by the Minister of Science and Technology and the Minister of Employment and Immigration, whose purpose is to increase the number of women in engineering.

This project will focus on: the supply of and demand for engineers and the importance of women for supply; the prejudices and challenges faced by women at every level of training and in the workplace; attitudes and practices of peers and institutions affecting women engineers; obstacles, in particular at the school level, blocking women's access to that profession.

This program will be headed by four organizations: the Canadian Council of Professional Engineers, the Association of Universities and Colleges of Canada, the Canadian Manufacturers' Association and the Association of Consulting Engineers of Canada. Representatives of women engineers associations, engineering students, university professors, engineering faculty deans and

colleges will sit on the 15 member adjustment steering committee that will manage the 18 month project. In addition, the private sector will be represented by the SNC Group, Noranda and General Electric.

An important conference will be held in the spring of 1991 to consider the preliminary findings. The final report and action plans will be made public before the end of 1991.

* * *

[*English*]

CHILD CARE

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, on the first page of his budget the Minister of Finance said:

> We have a responsibility to our children and grandchildren. To build for them, not to borrow from them.

The government responds to a child care crisis by making promises it never keeps. The Conservative government answers the serious and desperate need for child care by slapping on spending limits and by cutting child care programs.

In British Columbia there are 300,000 children in desperate need of child care services and only 20,000 licensed spaces. These children may be going unsupervised. They could be in the hands of unqualified people. The government has proven again and again that it has no concern for children.

The Child Care Initiatives Fund has been axed in this budget by $1.75 million. If the Minister of Finance really believes that cutting child care is building for our children and our grandchildren, he is sadly incompetent. He should have been cut in the cabinet shuffle this morning.

* * *

THE ECONOMY

Mr. Ken Hughes (Macleod): Madam Speaker, if there has been one consistent message from the people of Macleod during the past year it is that we must reduce the deficit. We must control government spending and we, as Canadians, must keep the economy from getting into the kind of inflation we faced in the early eighties under the Liberal government.

Only when we make progress on these fronts can we expect interest rates to fall to more reasonable levels.

I have expressed these concerns here in the House and directly to the Minister of Finance. The budget this week proves that the minister is listening to the people of Macleod and to other Canadians.

In this budget there are no new taxes. Yet there is a reduction in the deficit, in spite of higher than expected interest rates which increased interest costs for the government.

Albertans are prepared to tighten their belts along with all Canadians. None of us like having to pay the bills, particularly that crowd over there, but we all know that if we don't pay our mortgage then we don't have control over our own house.

The people of Macleod support the direction of this budget.

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member but his time has expired.

* * *

ESTABLISHED PROGRAMS FINANCING

Mr. George Proud (Hillsborough): Madam Speaker, given the budget cutbacks in Established Programs Financing, Prince Edward Island will lose $4.5 million this year, money that is needed for quality health care and post-secondary education.

The P.E.I. government has said that it does not consider deficit financing to be an option, so Islanders could be facing increased provincial taxes.

The budget papers state that for two years EPF transfers will grow with the population increase of each province, but that there will be no thaw in the EPF freeze.

In case the government has not noticed, businesses and bases are closing all over Atlantic Canada. At best, the population of Prince Edward Island is stagnant. At worst, we will see a continued erosion.

Prince Edward Islanders asked the minister to end the freeze on Established Programs Financing. Islanders deserve the same quality of health care and education as that enjoyed by other Canadians.

[*Translation*]

TRANSPORT

Mr. Jean-Pierre Blackburn (Jonquière): Madam Speaker, I have good news today for the Canadian people. Hon. Benoît Bouchard has just been appointed to the senior Department of Industry, Science and Technology. His skills and ability will become an asset for regional development at a time when the disparities between the regions need to be alleviated. But if this appointment is good news for many, the fact remains that the people of the Saguenay-Lac-Saint-Jean area have not benefited fully from his mandate as Minister of Transport.

There was so much foot-dragging on the part of the Quebec Government that a stretch hardly three-kilometre long of the Alma-La Baie Highway has been completed over the past six years. But I give people fair warning that the Conservative representatives of the region will not give up so easily. There are $11 million to be saved by March 31, 1991, and I am willing to constantly pester the Quebec Government to make sure that our region does not lose this money.

* * *

[*English*]

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, this government has failed completely to bring forward its environmental program. Now it has given up on federal-provincial forest agreements as the way to ensure that our forests are replanted.

Agreements with Ontario, Manitoba, Saskatchewan and Alberta have not been signed since they expired a year ago. In B.C.'s case, this government has sold out *Polar 8*, our softwood lumber and our fish. Now it has sold out our forest community by delaying the signing of a new forest agreement in B.C.

At the same time as the department is being proclaimed, its budget is being slashed and agreements remain unfunded.

The time has come to put an end to the Tory shell game. The minister should get on with it and sign new agreements now.

S. O. 31

THE BUDGET

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, our government has a blueprint for economic recovery that must be followed despite the outrageous screams of opposition members who in five years and two elections have offered no solutions, no goals, no visions, no direction, and no leadership to the Canadian public.

• (1110)

Our finance minister stated,"this government will continue to do not what is easy or popular for itself, but what is right for the country".

The opposition is prepared to buy its popularity with taxpayers' dollars, as was the legacy of 22 years of Liberal-New Democratic Party governments of the past. What a shameful demonstration of the legacy of that former administration.

* * *

SCIENCE AND TECHNOLOGY

Mr. John Manley (Ottawa South): Madam Speaker, once again in this week's budget the government has revealed its true colours when it comes to science and technology. Thirty-nine million dollars is cut from planned science programs at a time when Canada desperately needs to be increasing science-based innovation to assure our economic strength in the future.

Instead of wasting millions of dollars on propaganda, the implementation of the GST, and the moving of existing facilities and jobs in science out of the national capital, the government should be increasing its commitment to the development of environmental technologies, alternative energy sources and increased base budgets for the research granting councils.

Canada's relatively high growth in relation to other OECD countries belies our economic weakness. The more important measure of our relative economic health is our rate of productivity growth in which we are lagging far behind.

Science, engineering and technology and post-secondary education should not be seen to be expenditure items for government cutbacks. These are necessary investments to secure Canada's future.

For this Prime Minister, promises are cheap. But his real commitment to science and technology is non-existent.

* * *

FORESTRY

Mr. Ken James (Sarnia—Lambton): Madam Speaker, who said the government's budget wasn't green? This year it was printed on environmentally friendly paper. Thirty per cent less pulp is needed to manufacture this new paper, which means that 34 per cent fewer logs are used and more trees are left standing. Twenty-two and one-half tons of paper were actually saved.

This solution is even better than recycling, which is commendable but which requires chemicals in order to turn paper into pulp again.

However, this move is not just environmentally friendly. It is also cost effective. The new stock is 20 per cent less expensive than the old. There are also savings in mailings and bulk shipment costs since the documents weigh 30 per cent less.

These days call for restraint and respect for our environment. Michael Wilson and his department deserve kudos for achieving both.

* * *

THE CABINET

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, the Prime Minister as leader of Canada's marginal party, and enjoying the support of 19 per cent of Canadians, has now decided to give his government a face lift. As all cosmetic surgery, this one is only skin deep.

Harvie, the chair stormer, is now going to be the House Leader. Doug and the slug will be Minister of Transport. Benny and the jet will be the minister of industry; and Tom the fish will flounder elsewhere.

One change is missing from all this. The shuffler should have been the shufflee.

THE BUDGET

Mrs. Edna Anderson (Simcoe Centre): Madam Speaker, in 1984-85 the operating balance was in deficit. Ongoing program expenditures were about $16 billion higher than ongoing revenues.

Today in 1990, our operating surplus increases from $8.9 billion in 1989-90 to $14.7 billion for 1991-92.

Mr. Wilson's 1990 budget inspires confidence in Canada's future. This expenditure control plan will put the deficit back on a downward track. It will free up domestic savings to help finance needed investment, diminish our reliance on foreign savings and reduce the burden of the debt for future generations.

The stage has been well set by the Hon. Michael Wilson for sustainable economic growth and a strengthened economy.

* * *

REGIONAL DISPARITY

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, northern Canadians are used to cold weather but they are getting sick and tired of being left out in the cold by this government.

Northern communities already face unemployment as high as 85 per cent, astronomical living costs and services which should embarrass southern Canadians. But rather than recognize these special needs, this government clobbered northerners in the recent budget.

The elimination of the Exploration Incentives Program will stifle the mining industry.

Cuts to CMHC will make a disgraceful housing situation even worse.

Cuts to the native communications system will isolate northern Canadians even more.

The cap on INAC funding will halt economic development in Indian communities.

Cuts and transfer payments will mean that second-class status in health and education will continue.

Therefore I call on the government to reverse these disastrous cuts, to at least retain the northern tax

benefits for northern Canadians and, most of all, to quit picking on those Canadians who are least able to fight back.

* * *

MINISTER OF FISHERIES AND OCEANS

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I want to be among the first to congratulate the new Minister of Fisheries and Oceans on behalf of the plant workers and fishermen in Atlantic Canada, and to welcome him to what is going to be a very difficult job.

For a brief period I was one of his critics in his former capacity in Consumer and Corporate Affairs. I quickly came to respect his grasp of issues and admire his capacity to be the advocate for those issues.

He comes to the fisheries portfolio at a very difficult time, a time of great crisis. I believe he has what has been sorely missing from that portfolio—an ability to have an understanding of the issue and to be a strong voice for those issues in Cabinet.

His job is going to be all the more difficult because the Cabinet has overlooked the problem completely by leaving it out of the federal budget altogether.

The crisis can be solved with his leadership. He is going to have to do something in terms of a compensation program for fishermen. He is going to need a strong voice to advocate that Cabinet gets tough with the foreigners, kick them out of our waters so our people can be the beneficiaries of our resources.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Finance. I might say that many Canadians will be surprised and somewhat disappointed after his budget last Tuesday to see him still in his place.

Some hon. members: Oh, oh!

Mr. Gray (Windsor West): In his budget the minister announced cuts of $7.3 billion in payments to the provinces for health care and education. The minister has given no indication that he has even bothered to consult with the provinces on the impact these reductions will have on these essential national programs.

When the minister sat on this side of the House in 1982 he called for conferences by the government of the day with the provinces to establish national objectives. In so doing he said that this has to be done "before we cut spending and before we cause closures of hospitals and cutbacks in post-secondary education". That is what the minister said.

Yet his budget will likely take us back to the bad old days of user fees and extra billing, attacks on the weak, the elderly and the sick.

Again, in this House in 1982, the minister said: "Let us not make hospitals, universities and colleges a battleground between the federal government and the provincial governments". That is what the minister said. I ask him: Why is not now taking his own advice?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, first, may I say I do appreciate very much the gracious good wishes of the Leader of the Opposition. It is what I would expect from him.

The hon. member has raised the question of the transfers to provinces. As I have said in this House before, we are not asking the provinces to make a large adjustment. In the first year, it is somewhere between one-half of 1 per cent, three-quarters of 1 per cent, and about 1-1/4 per cent in the second year. These are not major adjustments that are required of the provinces.

I would remind the hon. member that in 1977 the law was changed by the government of the day, a government which he supported, which removed the linkage between those transfers to post-secondary education and health care. It was done at the request of the provinces so that they could have the flexibility to spend them as they wished.

I think the hon. member would agree with me that in some cases the provinces have cut way back on the amount of post-secondary education. If you cut those same ratios, as we saw back in 1977, you would see that the federal government is supporting in some cases a very high proportion of post-secondary education.

• (1120)

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, the minister should know and should remember that Canadians are entitled to equal access to high quality medical care, no matter where they live in this country.

The minister should know that the cuts in payments to the provinces for health care will undermine the principles of the Canada Health Act, an act passed by this House to prevent the erosion of our national health care system, an act which was supported by the minister's party.

The minister is risking a return to user fees and extra billing. Why is the minister not listening to the provincial governments who are saying that the minister is responsible for the mismanagement of our national economy. They are saying to him: "Physician, health thyself".

Hon. Michael Wilson (Minister of Finance): Madam Speaker, the Leader of the Opposition is getting very poetic today. He should also look at this from the perspective of the amount of money that we are transferring to the provinces. Some $34 billion will be transferred to the provinces this coming year. That will rise at a rate of 3 per cent over-all for the provinces. That 3 per cent is the same increase in federal government program spending. We are not asking the provinces to do anything more than we are doing for ourselves for our own spending.

The Leader of the Opposition raises the question of the Canada Health Act. That received all-party support in this House. The position of this party has not changed since then. I do not know why he puts that red herring on the table.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, here is what Marc-Yvan Côté, the Quebec Minister of Health and Social Services, thinks of the Minister of Finance and his Budget, and I quote:

> When Michael Wilson claims that his carelessness will not affect health services in Quebec, he sounds more like a guy living on Bay Street than in Quebec.

Madam Speaker, why does the Minister refuse to admit that Marc-Yvan Côté is right when he says that this Budget will have a devastating impact on health services both in Quebec and the rest of Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Madam Speaker, the Leader of the Opposition can pull quotes out of the air. I can also pull quotes out of the air, quotes that have been made by people in recent days saying that what we are asking of the provinces is fair.

Mr. Gray (Windsor West): You don't care what Quebec thinks.

Hon. Michael Wilson (Minister of Finance): The hon. member says I don't care. I do care. That is why I am so concerned about this particular problem.

I can go back to things the hon. member said in 1979 when he was sitting in that chair over there saying: "Why does the government have such a fixation, a preoccupation with the deficit?"

I will tell you why we have that fixation, that preoccupation. It is because in the next five years under the Liberal government the deficit and the debt got totally out of control. They left us with the mess we have today.

I can see that the Leader of the Opposition is still laughing. He still does not understand the problem of the debt, the problem of the high deficit. He still has his head in the sand.

* * *

FISHERIES

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I have a mystery question for the Deputy Prime Minister.

I want to ask why this government does so little to protect the Canadian fishing industry.

Yesterday we had the Minister for International Trade saying that they had no choice but to accept the west coast fishing decision. Yet we know that the Americans have passed their own legislation called the Magnusson act which gives extensive protection to their processing industry. However, this government has not done the same. It has not introduced legislation. It has not challenged the American law. It has no plans to help the west coast fishing industry.

The mystery question to the Deputy Prime Minister is this. Why is this government always sacrificing Canadian interests on the altar of free trade?

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, there is no mystery as to why the hon. member put that question. He put the question not out of any interest for the fishermen of the west or east coast. He put that question because he is driven by a fixation with the free trade agreement and driven by an animosity against the United States. That is simply not an effective way to conduct policy in the country.

In effect, what we have done with the decision that was announced in Vancouver yesterday by my colleague, the Minister for International Trade, is to take steps that guarantee our capacity to apply Canadian conservation measures.

If he knows anything about the problems that the Canadian fishery faces, particularly now and acutely in Atlantic Canada, it is that we have to be effective on conservation measures. The measures that were announced by the Government of Canada yesterday protect the interests of Canada, protect the interests of Canadian fishermen by ensuring that our conservation regimes will stay in place.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, the problem is that this poor, benighted minister still does not understand what it means to protect the interests of Canadians.

In saying that, I want to ask him about his great claim about conservation. The President of the B.C. Fisheries Council, Mr. Hunter, has pointed out that the decision the government has acquiesced to will create exactly the same problems on the west coast that the east coast fisheries now has—dwindling stocks, lack of data and giving away the rights of 25 per cent of the fishing stock to the Americans which we are now fighting against the Europeans for doing.

How can this government reconcile the fact that we are telling the Europeans that they do not have rights on the east coast when we have given exactly the same rights on the west coast to the Americans? Does this government not understand that it is putting the fishing industry on both coasts in jeopardy now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I cannot verify the quote the hon. member put on the record. If the person he cited said that, he too is wrong.

Let me come to the point that the hon. member was trying to make yesterday about an export tax. In his fixation with the free trade agreement and in his determination to be guided in everything by hostility towards the United States, he has focused upon the question of the export tax.

If the man were honest, if the country is interested in an honest debate about the instruments that are available to Canada, the member would admit that we have used an export tax once on softwood. It did not work. It is device that is so ineffective, it has not been used for decades by the government of which he was a part, or by this government.

Indeed, he also knows that if there were to be introduced an export tax in this area of the magnitude that would be effective to do the job, that would break the rules of GATT. He understands that.

Mr. Axworthy (Winnipeg South Centre): You are so stupid, Joe, it is unbelievable. You don't know what GATT means.

* * *

THE BUDGET

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, this government said yesterday that deficit reduction comes first, that the deficit comes first before the women of Canada.

The deficit does not come first when it comes to giving $161 million to the government's friends at Boeing.

The deficit does not come first when it comes to spending $14 million advertising the GST, a tax that no one wants.

The deficit does not come first when it comes to giving $114 million more to the armed forces in Europe. But the deficit does come first before the women of Canada.

Could the Deputy Prime Minister explain why CSIS got an increase of $33 million, yet programs to battered women have been cut? Could the Deputy Prime Minister explain why the boys can have their toys in the military while services to women are axed?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, no battered women's program, no women in violence will be affected at all. What has been

taking place to the women of this nation is a crime against humanity. We will continue to fight that vigorously wherever it is found.

We have been bringing forward additional programs for women and against violence, some $40 million from the minister responsible at that time for a very active program.

We have other programming that is very effective for immigrant and visible minority women and for disabled women.

We have a very strong commitment and an excellent women's program. We will continue to be very supportive.

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, my supplementary question is for the Minister of Finance.

In his budget speech on Tuesday the Minister of Finance said:

> We have a responsibility to our children and grandchildren.

• (1130)

The finance minister, if he really feels he has a responsibility for Canada's children, could he please explain why these children have been cut back for support for child care under the Canada Assistance Plan?

Will the minister come to my province? Will he come to British Columbia and explain to the more than 300,000 children in B.C., who cannot get basic child care services, why he has cut programs to the women and to the children of Canada?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, there is distortion there of the facts. The Canada Assistance Program for the province of British Columbia will be limited to a growth, an increase of 5 per cent.

If B.C. wants to spend more than a 5 per cent increase in any of those programs, we are asking them because of the stronger financial position that they are in to finance that increase over a 5 per cent growth rate. This is for a two-year period only to allow us to get over this hurdle of the deficit and the debt problem, after which time we will be reverting to the program as it stands now.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a supplementary question for the Secretary of State.

In the lead up to the budget, government leaks implied that most of the cuts were going to take place in concessions to business and in defence, the so-called defence dividend.

In fact, the cuts have hit native groups, women's groups and others who are least responsible for the deficit.

Will the minister explain why those groups, such as women's groups and native groups who have expressed the most concern about such things as the free trade act, the goods and services tax and injustice to women and Indians, are receiving the greatest burden of the most brutal cuts in his department, while those who were not such a thorn in the side to Conservative ideology are receiving no cuts at all?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, when that group across the way was in government, $12 million was the women's program for that five-year period.

Mr. Skelly (Comox—Alberni): It is your responsibility. Answer the question.

Mr. Weiner: In this current mandate we will be getting and projecting over $48 million. That is quadruple. That is more, not less. Every single program that we are involved in has seen increased growth, increased strength and increased vitality, and we will continue to work actively with those programs across the country.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, my question is for the Minister of Finance.

In last year's throne speech the Prime Minister said: "This government remains committed to a national child care program." And recognized that "the increasing participation of women in the workforce underlines the need for initiatives that promote equality of opportunity in Canada's economic life."

Tuesday's budget not only cancelled some vital programs and services for women but also failed to introduce a national child care program. When will this government recognize that a national day care program is a priority initiative for equality of opportunity for women and quality of life for children?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, the commitment of this government has not changed as a result of this budget.

In last year's budget I made it quite clear, speaking on behalf of the government, that we would bring in a child care program within this mandate. That commitment stands.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, a litany of commitments, a litany of promises does not create a rosary of sacred trust.

The cap to the Canadian Assistance Plan will leave thousands of Canadian children without the day care that they so badly need, as most provinces have said.

In last year's budget, this government increased child tax credits to wealthy families and this year's budget breaks the backbone of the day care programs for low and middle income families.

When will this government show that it is truly committed to a national child care program and introduce this program, and not wait until our children are no longer with us?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I am not quite sure I heard the hon. member correctly. There was no increase in the child tax credit to upper income families in the last budget. We have brought in a child tax credit increase in 1988 for those families who are low income families and have children under six years of age. That is still in place. It has not been changed by last year's budget or this year's budget.

Let me underscore the comment that I made just a minute ago. This government is committed to child care. The changes in the budget this week has not changed the child care element of the Canadian Assistance Plan in seven provinces, but we are limiting our spending to a 5 per cent growth rate for the three wealthiest provinces in the country. We are saying to them, if you want to increase your spending by more than 5 per cent, we will ask you to finance that for the next couple of years because of the difficult deficit situation that we have.

Ms. Ethel Blondin (Western Arctic): Madam Speaker, Canadians were shocked when the Minister of Finance presented his budget on February 20 that the aboriginal people were at the top of his hit list. The minister accused me of exaggeration when I asked about the $100 million cut to Indian and Northern Affairs. It does not sound like an exaggeration to me. There was also a $24 million cut in Secretary of State.

I ask the Minister of Finance whether he has eliminated the Native Communications Program and all the native newspapers? Has he cut the Northern Native Access Broadcast Program by 16 per cent? If so, how can he justify this heartless move? The native people of Canada want to know. Will he answer this directly and not be evasive?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I would refer the hon. member, if she would care to listen, to page 76 of the budget statement where it says that expenditures for Indian and Inuit programs for health, education, social assistance and comprehensive claim programs will not be constrained. Other grants and contributions in the Indian and Inuit Affairs Program will be limited to an annual—

Ms. Blondin: You can't touch those moneys. You wouldn't dare.

Mr. Wilson (Etobicoke Centre): Well, Madam Speaker, if the hon. member asks a question, surely she must be interested in the answer to the question. Let me repeat.

> Other grants and contributions in the Indian and Inuit Affairs program, however, will be limited to annual growth in the range of 5 per cent—

That I think is a fair request. It is part of the over-all program of controlling government spending so that we can get the deficit down, get interest rates down and have a healthier economy.

Ms. Ethel Blondin (Western Arctic): Madam Speaker, I have once again not received the answer to my question.

My supplementary is to the same minister. There is much dissension and uneasiness across the country among the many Canadians who support and depend on the voice of native newspapers and radio broadcast programs. It was, after all, the Micmac news that brought out the Donald Marshall case.

Why is the minister sabotaging the success of these programs? Is it an attempt to suppress the truth, the power of the word? Will he restore these funds immediately, if he is going to demonstrate the commitment of this government to aboriginal people's livelihood and rights?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, this Prime Minister and this government have made race relations our most important initiative and priority. We demand full and equal participation and full access for each one of our citizens.

We have brought forward increased funding for race relations, increased funding for community support and we are developing initiatives to deal with the very concerns that the member is addressing. From coast to coast we are going to be very pro-active in helping all Canadians develop full and equal opportunities.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, my question is to the Minister of Finance.

The Minister of Finance will be aware now, without a doubt, that there are more and more people questioning the basic credibility and the assumptions underlying his entire budget.

• (1140)

We know that the projections were all done before the end of January. Since that time interest rates in the country have gone up by one percentage point. There is pressure now for higher interest rates in Japan and western Europe.

I want to know now whether or not the minister will admit that many of the numbers in his budget are wrong, that his projections are wrong, that the deficit is going to be well over $30 billion in the next fiscal year, and that the interest rates will not come down to 11 per cent? Will he admit that those projections are wrong? Will he tell the Canadian people what is really going to happen in the next year.

Hon. Michael Wilson (Minister of Finance): Madam Speaker, there is a little *déjà vu* in this question. It seems to me that in 1984, 1985 and 1986, at practically every budget, every time we have brought out projections with a very limited number of exceptions, hon. members have said that this is going to cost 50,000 jobs, 100,000 jobs, or 200,000 jobs, and that the sky is going to fall as a result of this budget.

A study was done in January that supports this. The projections that have been made by the Department of Finance officials have been very close to the mark and closer to the mark, I might say, than has been the case with the consensus of private sector forecasters that we monitor.

I can give the hon. member further information and reasons why I think that our projections are accurate. I think these are reasonable projections. They are not out of line with the private sector forecasters.

When we stand in the House after the next budget, I will probably be saying exactly the same thing to the same member of Parliament.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, last year the Minister of Finance predicted 10 per cent interest rates for this year. Some accuracy in terms of his projections!

I believe the figures he has given us in the budget are totally unrealistic. It is sheer incompetence on behalf of the Minister of Finance.

In light of what is happening now in Europe and Japan I wonder if the Minister of Finance, unless he is dreaming in Technicolor, can tell us how he is planning to bring down interest rates to a 1990 average of 11 per cent when today we are starting at over 13 per cent.

Can he explain that to the House? If he cannot, can he admit that he is wrong, that the deficit will be indeed over $30 billion, that interest rates will be much higher than 11 per cent, that the unemployment rate will be higher than he is predicting and that the growth rate will be slower?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, the hon. member said that projections were way out of line last year. Let me remind him that we were projecting a 12.0 per cent level of interest rates for the fiscal year 1989-1990. It will come in at 12.2 per cent, only .2 of 1 per cent out. That is not a bad projection.

The hon. member says that the projections are a way out of line. Our number is 11.1 per cent. The private sector is 11.0 per cent. I do not see where this is a way out of line relative to what the people in the private sector are saying themselves.

The hon. member asks how we are going to get interest rates down. I have told him many times how we are going to get interest rates down. We are going to work very hard to get inflation out of the system. As we get inflation out of the system, then we will be able to get

interest rates down. We expect that will happen during the course of this year.

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WAYS AND MEANS

Mr. Brian O'Kurley (Elk Island): Madam Speaker, my question is directed to the Minister of Finance. I refer to the notice of Ways and Means motion to amend the Income Tax Act as it affects the child tax credit.

The minister has indicated that this measure will allow 730,000 families to qualify for prepayment of the credit.

What exactly will be the effect of this change on a large Canadian family, and how many children will be affected?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, this provision provides for a more generous prepayment of the child tax credit for families with three children or more.

The effect of it will improve the fairness of the tax system and allow people with larger families to receive that prepayment in the month of November. It will also allow 70,000 additional families with a total of about 236,000 children to be eligible for the prepayment.

There is a cost factor in this. It will move the cost of this one year forward, so there is timing element here. The over-all cost to the government will not increase.

* * *

[*Translation*]

NAZARETH THERMAL GENERATING STATION

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, I would like first of all to congratulate the Minister of Labour for his further appointment as Minister of State (Transport), and to ask him if he will contact immediately the Canadian National immediately to prevent them from making a sale. That crown corporation does want to sell its Nazareth thermal generating station in Montreal for a price that is absolutely, ridiculously unreasonable, a garage sale price.

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Madam Speaker, I thank the hon. member for his congratulations, which I am very pleased to accept. I will endeavour to keep working for the well-being, improved quality of life and prosperity of Montreal Island.

Since my duties as Minister of State (Transport) have just been added a few hours ago, I will look into the hon. member's question and will report to him as soon as the House reconvenes.

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, I thank the minister but I would suggest he might want to act very quickly because this sale is to be made to *Compagnie parisienne de chauffage urbain* and I am told that the deal will be concluded in the next few hours.

I remind the minister that this Montreal heating plant has been posting annual profits in excess of $3 million. It seems to me there is something rather fishy in this sale, given the price.

Since the minister also handles the labour portfolio, I want to ask him whether he will give priority to this deal and what steps he will take to protect the employees who, after 20 years on the Canadian National payroll, will be summarily dismissed by *Compagnie parisienne*?

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Madam Speaker, I have to give a similar answer to the Hon. Member for Papineau—Saint-Michel. I will look into the terms of this deal in the next few days and endeavour to get back to him at the earliest opportunity.

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[*English*]

HEALTH

Mr. John Harvard (Winnipeg St. James): Madam Speaker, my question is for the Deputy Prime Minister. This government is committed to building a $100 million medical lab in Winnipeg. Until today, everything appeared to be in order. Now we get the news that the lab is going to be delayed until 1995. This is another betrayal of Manitoba. The west gets the shaft again. No one in the government is standing up for Manitoba. I think that the senior minister for Manitoba should do the honourable thing and resign.

My question for the Deputy Prime Minister is this: Is this delay just another way of saying that Winnipeg will never get the lab?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, that assertion is simply not true. While I am not aware of all the details and the allegations which the hon. member has made, to my knowledge this project is still on track.

I suspect that there may have been some discussions with municipal officials. That may have delayed the project somewhat, but I can assure the hon. member that I will get back to him with full details. As far as I am concerned, there is no deliberate delay on the part of the government.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, the Deputy Prime Minister's words are not going to ease the anger that we feel out there. I remind the Deputy Prime Minister of what fellow westerners are saying: "You play around with the bull and you're going to get the horn". I want to know the government's priorities.

There is money for the Prime Minister to spend millions to travel around the world, there is millions—

The Acting Speaker (Mrs. Champagne): The hon. member will put his question, please.

Mr. Harvard: Madam Speaker, there is no money for the medical lab, there is no money for—

The Acting Speaker (Mrs. Champagne): I am sure there is a question. Is there a question for the hon. member to put to the minister?

Mr. Harvard: Yes, there is a question. The municipal officials say there is no reason for delay. I want to know when the government is going to release the funds and get on with the job.

• (1150)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, I am certainly not going to be threatened by the rhetoric coming from the hon. member.

I would choose to deal with facts, not innuendo and rumour. As I indicated to the hon. member, I will try to ascertain the facts. I can assure him that I will report back to him very quickly.

PETRO–CANADA

Mr. Ross Harvey (Edmonton East): Madam Speaker, in the absence of the Minister of State for Privatization and Regulatory Affairs, I have a question for whomever is in charge of the sell–out of Petro–Canada today.

Petro–Canada is expected to report assets for 1989 of something between $6.5 and $7 billion, this after spending at least $7.4 billion since 1976—this is in 1989 dollars—in assembling those assets.

The government now proposes to sell off the entire operation for something in the order of $4 billion, of which it might retain between $3 and $3.5 billion.

Even allowing for close to $2 billion in short and long term debt, doesn't the minister think it is a fundamentally bad deal for the people of Canada to sell their national energy company having a net worth of between $4.5 and $5 billion for $3.5 billion or less?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, that confused *mélange* of figures has everybody in this House and anybody who is watching very confused, probably more confused than the member himself.

An hon. member: Impossible.

Mr. Wilson (Etobicoke Centre): We believe the privatization of Petro–Canada will be in the interests of Petro–Canada, in the interests of the taxpayer, and in the interests of the country.

We believe the result of this will be a stronger Petro–Canada. It will have access to new moneys which it can invest in new operations in Canada to develop frontier resources and to new capital that is not available to it today. With the growth which will come from that we believe the result will be a much stronger Petro–Canada and a great help to this country.

Mr. Ross Harvey (Edmonton East): Madam Speaker, let me try again. A company with a net worth of $4.5 billion to $5 billion is going to be sold for $3.5 billion or less.

Would the minister not agree with First Marathon Securities Limited oil analyst, a chap by the name of James Doak, that given average new equity issues for oil and gas companies from 1983 to 1988 were $2 billion a year in total, I quote Mr. Doak:

The privatization will compete with every other company trying to tap the equity market.

He continued:

They probably won't be able to get a good price for the shares.

Hon. Michael Wilson (Minister of Finance): Madam Speaker, about a billion dollars worth of equity issues were done in the month of January alone.

The Minister of State of Privatization and Regulatory Affairs has said that the sale of the shares of Petro–Canada will take place over a period of time, depending on market circumstances, depending on the attractiveness of the market to the company and to ourselves and of selling into that market.

I would say to the hon. member that his numbers are out of whack. I believe the book value is $4.3 billion and not the $4.5 billion to $5 billion that he is using. I would also say to him that I am glad he is sitting on that side of the House and not on this side when he is deciding what the shares of Petro–Canada are worth.

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THE ECONOMY

Mr. Jim Peterson (Willowdale): Madam Speaker, on May 23, 1985, the Minister of Finance unveiled the first of his two five–year plans for reducing the deficit. At that time he promised us that by this year our deficit would be $18 billion. It is $30.5 billion, a 69 per cent error in his projections.

The minister cannot blame previous governments. After all, he had the figures when he made this promise.

Second, he cannot blame the economy. In his own words it has been "extraordinary".

Will the minister at last admit that the deficit is a direct result of his own fiscal mismanagement over the past five years?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, that sort of provocative statement sends me reeling. I am not sure how to handle it.

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I believe that the hon. member is not taking account of $10 billion in accounting changes, but we will let that one just slide by because those numbers he does not understand.

Let me point out to him what I said in the budget on Tuesday evening. Eighty per cent of the debt that we have incurred, in other words 80 per cent of the budget deficits that this government has incurred since 1984, relate to the interest compounded on the deficit that we inherited in 1984.

Mr. Simmons: Not true.

Mr. Wilson (Etobicoke Centre): We have brought all the other costs of government from an operating deficit of $16 billion to an operating surplus of $9 billion. So we have made considerable progress. As we get that operating surplus up even higher that it will cut into the interest costs we are going to get the over–all deficit under control and it will be—

The Acting Speaker (Mrs. Champagne): The hon. member for Willowdale.

Mr. Jim Peterson (Willowdale): Madam Speaker, the minister obviously forgot about those facts. They were out there when he gave us his first five–year plan.

Let us look at the minister's second five–year plan to reduce the deficit that was introduced last Tuesday. He promised us that within five years time our deficit was going to be down to $10 billion. He could not do it in the first five years even though we had an extraordinary economy. Now the minister is telling us he can do it, even though his own policies are driving this country into recession.

The Canadian Manufacturers' Association does not believe the minister. The Canadian Chamber of Commerce does not believe him.

The Acting Speaker (Mrs. Champagne): Is there a question please?

Mr. Peterson: Madam Speaker, my question is very simple. In light of the fact that even the minister's good friends at the Business Council on National Issues do not believe the minister, does he himself believe his own figures, because nobody else does?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, the simple answer to that is yes I do. I very strongly believe in those figures.

But for all of the concern that the hon. member is expressing about the level of the deficit, where is the Liberal Party in this debate? Where is the Liberal Party in putting forward any suggestions as to how we should be getting the deficit down?

All I hear from the Leader of the Opposition is "Why this fixation on the deficit? Why are they so concerned about the deficit?" The Leader of the Opposition has his head firmly buried in the sand and I think the hon. member has too.

The Acting Speaker (Mrs. Champagne): The hon. member for Nunatsiaq, one question please.

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, a week ago in this House the Prime Minister asserted that the protection of minority language rights was not an abstract concept in Canada and that this protection was given meaning by the national will of a generous and tolerant people.

This week in a most ungenerous and intolerant action the government the Prime Minister leads announced it will close down eight aboriginal newspapers and financially cripple another seven aboriginal communications groups. Given these devastating cut-backs to aboriginal language programs in the International Year of Literacy and Communications, what kind of protection was the Prime Minister speaking of? Did he really mean protection from this government?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, the department certainly has had some expenditure cuts. That is clear. It is part of an over-all plan to provide us with a secure and prosperous future.

We have heard what the finance minister is proposing for all of us. It pains us to have to say to any individual or any group that somehow others may have to share in the obligation of being supportive. I have commended the efforts of those who have worked in the field. We have a very active race relations program. We have a good understanding as a government of what has to be done in this nation to help all attain a level of citizenship that gets that full participation. We are developing initiatives from coast to coast to address the very concerns that the member is raising.

The Acting Speaker (Mrs. Champagne): The hon. member for Esquimalt—Juan de Fuca, one question.

* * *

• (1200)

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, my question is to the Secretary of State for of External Affairs. The minister mentioned earlier today that Canada must use the instruments that are available in negotiating issues around trade relative to the fish agreement.

The minister knows that after the GATT ruling against our decision to inspect fish at landing, the government decided to go to the free trade panel. At the free trade panel hearing the ruling was that the United States should have access to 10 per cent to 20 per cent. Instead of accepting the finding of the free trade panel, the Minister for International Trade said that the U.S. refused to accept the panel's ruling and drove a harder bargain of 20 per cent this year and 25 per cent in subsequent years.

It is not a question of anti-Americanism. Why did the minister cave in after the free trade panel that he asked for said only 20 per cent and he got bludgeoned into giving another 5 per cent and further down the road? Does the panel stand for anything or is the minister gutless right across the board?

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, I will not talk to the hon. member about gut. Let me deal with the important issue that he raised.

There was a panel finding and there was a response on the part of the Government of Canada and the Government of the United States. The question at issue was that while there was a reference to the percentages, there was also a consideration of Canada's ability to impose our conservation requirements.

An hon. member: Read the decision.

Mr. Clark (Yellowhead): I read the panel. The panel makes it very clear that we would not have the conservation protection under the panel report that we have under the arrangement negotiated by the Government of Canada. What we did was purchase greater protection for Canada to be able to apply our conservation regimes.

That in the long term is of enduring interest and importance to the country.

Mr. Barrett: The other panels will be worthless, and you know it.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to several petitions.

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

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BROADCASTING

CANADIAN PARLIAMENTARY CHANNEL

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, there have been consultations with the three parties and I believe that you will find unanimous consent for the following motion: I move:

> That this House support the principle of the Canadian Parliamentary Channel proposal as presented to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business by the Canadian Broadcasting Corporation and the Canadian cable television industry, on the understanding that CPAC will broadcast the proceedings of the House of Commons, as well as any other proceedings that are provided to it by the House.

Mr. Boudria: Madam Speaker, I know there have been consultations but as of late yesterday afternoon, the parliamentary secretary had undertaken to consult with one of my colleagues, the member for Kingston and the Islands, with regard to the exact wording. My information is that that consultation has not yet happened.

Perhaps in the spirit of co-operation we could undertake that such consultation take place now and notwithstanding anything else, we could give our unanimous consent for the introduction some time later during the day. Perhaps that would be the best policy. Maybe the parliamentary secretary could revoke that motion now and reintroduce it a little later today.

Mr. Cooper: Madam Speaker, I beg to differ with the hon. member. There were consultations with their membership yesterday. If there is some confusion on their side, fine. We can set the motion aside for now.

* * *

BUSINESS OF THE HOUSE

Mr. Cooper: Madam Speaker, I have another motion for which I believe there is unanimous consent.

There were discussions concerning the first Monday that we return. Because of some of the problems with the normal provisions for Private Members' Business beginning at one o'clock and we are not able to proceed with Private Members' Business on a budget day, it leaves a gap. Therefore, I move the following motion:

> That, notwithstanding any Standing Order, on Monday, March 5, 1990, the House meet at 1.00 o'clock p.m. for resuming debate on the budget.

Mr. Angus: Madam Speaker, I wish to confirm that there have been some discussions with regard to this particular motion. We do concur. We think an additional hour of debate on the budget would be a most appropriate activity for this House to pursue.

Mr. Milliken: Madam Speaker, we quite agree. We are glad to see the change of heart on the part of the New Democratic Party.

The Acting Speaker (Mrs. Champagne): I take it for granted that the hon. parliamentary secretary had unanimous consent to move that motion.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

GOODS AND SERVICES TAX

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, today I would like to table a number of petitions for several thousand people from my constituency of Papineau—Saint-Michel. These people are firmly opposed to the new goods and services tax proposed by the Conservative government. I also want to refer to the requests made by Mr. André Corneau, president of the

Association québécoise pour la défense des droits des retraité(e)s et des pré-retraité(e)s of Saint-Michel, who, on behalf of its members, is calling on the Prime Minister (Mr. Mulroney) to withdraw the GST which is so unfair to low-income people.

ARMENIAN RIGHTS IN AZERBAIJAN

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, I would also like to table other petitions sent to me by the Conseil des droits arméniens du Canada.

These are signed by residents of the Montreal area, specially from my constituency as well as from the ridings of my colleagues of Saint-Denis and Saint-Laurent. They are asking the government of Canada to call upon the Soviet authorities and firmly ask them to recognize the rights of the Armenian people in Azerbaijan.

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I have the honour and the pleasure to table this afternoon 24 petitions signed by 1,650 people, who are opposed to the goods and services tax, which they submit is a regressive tax which will cost several thousand jobs to Canada.

Also, Madam Speaker, with your permission, I would like to table 20 more petitions signed by 1,099 residents from my constituency and the Montreal area. These people oppose the new goods and services tax bacause it will cause severe and unfair hardship to low and middle-income Canadians.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, pursuant to Standing Order 36, I have the privilege to table petitions signed by hundreds of Canadians who object to the federal government's plan to impose a new tax on goods and services which will be unfair to my constituents and all Canadians.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a number of petitions to present today.

One is from constituents of my riding of Comox—Alberni expressing their opposition to the goods and services tax, calling on Parliament to reject the current proposal for a GST and asking Parliament to consider a fair system of taxation rather than the GST.

CANADIAN BROADCASTING CORPORATION

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I also have a petition from many of my constituents criticizing the government for cutting back on its funding for the Canadian Broadcasting Corporation. These constituents call upon the Government of Canada to increase support for the CBC so that those areas of the country that rely on CBC will be able to have continued quality service from that organization.

• (1210)

SOCIAL PROGRAMS

Mr. Robert E. Skelly (Comox—Alberni): I also have a petition opposing the clawback of family allowances and old age pensions. The petitioners also ask the government to change its policy on the clawback.

THE ENVIRONMENT

Mr. Robert E. Skelly (Comox—Alberni): I have another petition certified under Standing Order 36 from a number of my constituents who are asking the government to do a full assessment of the ecological significance of the Carmanah Valley.

With respect to Michel Gratton, I believe that Environment Canada should do a survey of the old growth forests of the whole of the west coast of Vancouver Island, not simply of one valley so that we can examine areas which might be logged, areas which might be set aside in order to optimize logging, raw material supply and the preservation of old growth forests.

[*Translation*]

GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, I have the honour to table some petitions from my riding and neighbouring ridings: Saint-Hubert, Pierrefonds, Pincourt, Kirkland, Beaconsfield, Dollard-des-Ormeaux, Laval, Delson, Saint-Eustache, Deux-Montagnes, Montreal East and Montreal.

The petitioners ask the federal government to reject the proposed goods and services tax.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have a petition which is against the goods and services tax. It comes from the constituency of the member of Parliament who said this morning that all his constituents liked the GST.

It calls for the Minister of Finance to drop his goods and services tax as an unfair form of taxation, to review the entire taxation system so that we have before us in this country a system of taxation which is fair and equitable and does not fall so heavily on the ordinary people within this country.

Mr. Sid Parker (Kootenay East): Pursuant to Standing Order 36, the attached petition is certified correct as to form and content.

I have a large number of names from the area of Creston and Wynndel in my riding, that the Minister of Finance's proposed goods and services tax is an unfair form of taxation because of its lack of regard for taxpayers' ability to pay, that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower and middle-income taxpayers to bear more of the national tax burden and that the government is now trying to tax reading material, haircuts, diapers, coffins and home heating fuels. The petitioners therefore call upon the government to do away with this tax and bring about a more fair and equitable taxation system.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I have a petition signed by 700 to 800 people from the communities of Pelican Narrows, La Ronge, Stanley Mission, Pinehouse Creek, Uranium City, Fond du Lac, Stoney Rapids and Denare Beach, which is most of the people in many of those communities.

They are also protesting the introduction of the GST, called the grab and steal tax. In those communities they already experience double and triple the cost of living of communities in southern Canada. They do not believe the finance minister when he says that when the big companies receive benefits through this tax that it is going to benefit them. They know they will be paying more and would sooner not pay the tax.

Therefore, they call on Parliament to withdraw this tax and to institute a system of fair taxation, especially one that is fair to northerners.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to present to the House today a petition signed by a number of Canadians who are opposed to the goods and services tax. They regard this tax as vicious and unfair and call upon Parliament to reject the tax.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it gives me pleasure to rise today pursuant to Standing Order 36 to present a petition from the Caribou, British Columbia, and also towns in my riding such as Grand Forks and Christina Lake. I add these petitions and the signatures to the thousands I have already presented from my riding alone to the House.

These petitions indicate that the people of Canada and particularly in these areas will not be tricked by this government dropping the GST from 9 per cent to 7 per cent. These people are calling on Parliament to change the tax and to make the tax fairer for all Canadians.

BILL 178

Mrs. Christine Stewart (Northumberland): Madam Speaker, I would like to present a couple of petitions today, pursuant to Stand Order 36.

The first one addresses the frustration of some people in my riding, particularly in the Trenton area, to Bill 178 in the Province of Quebec. I would like to take this opportunity to congratulate the city of Trenton for this past week voting against an English-only policy in their community despite the frustration of people, as it is expressed in this petition, and the city's support of the Federation of Canadian Municipalities for its policy of tolerance, civility, amity and generosity throughout Canada with regard to official language rights.

GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): The second petition I would like to present is again from people in my riding who express their deep and grave concern regarding the proposed goods and services legislation this government is proposing. They ask that that legislation be withdrawn in its totality.

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I will be responding to one question today. Perhaps the Hon. Member for Glengarry—Prescott—Russell would like to come and carry it down. Madam Speaker, if Question No. 197 could be made in order for return, the return would be tabled immediately.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that Question No. 197 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

FEDERAL BUSINESS DEVELOPMENT ACT

Question No. 197—**Mr. Boudria:**

In fiscal year (a) 1984–85 (b) 1985–86 (c) 1986–87 (d) 1987–88 (e) 1988–89, were fees paid to notaries and legal agents acting on behalf of the Federal Business Development Bank and, if so (i) what are the names of the recipients (ii) what were their dates of appointment (iii) what fees were paid to them?

Return tabled.

[*English*]

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

The Acting Speaker (Mrs. Champagne): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

Mr. Angus: Madam Speaker, given the volume of material being supplied in answer to that question, I wonder if the Deputy Whip would indicate to the House the cost of answering a question such as that.

Mr. Cooper: Madam Speaker, I cannot give an exact figure. We have probably 1,400 pages of material, information collected from virtually all departments and involving a huge number of people. I am sure the cost would be in the thousands of dollars.

An hon. member: They will never read it.

* * *

BROADCASTING

CANADIAN PARLIAMENTARY CHANNEL

Mr. Cooper: Madam Speaker, I am advised now that there have been complete and thorough consultations. If we were to put the motion on CPAC, I believe we would have unanimous consent of the House to approve that motion.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent for the Parliamentary Secretary put the motion to the House?

Some hon. members: Agreed.

Mr. Angus: Madam Speaker, I wish to indicate that this motion which adopts the principle of the CPAC proposal has the acceptance and support of my party. By doing so, in terms of the principle, it allows flexibility *vis-à-vis* the implementation of the proposal.

Mr. Milliken: Madam Speaker, I will just indicate that we also support the motion. As a member of the committee that tabled the ninth report of the standing committee on privileges and elections, I would hope that the adoption of this motion will not mean that the other very important portions of the report will be ignored.

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

Some hon. members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

• (1220)

[*Translation*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C–56, an Act to amend the Small Business Loans Act, be read a second time and referred to a legislative committee.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, "since 1984, this government has been following a consistent and comprehensive plan to ensure that Canadians can benefit from a rising standard of living and a quality of life second to none in the world." That is what the Minister of Finance told us when he presented his Budget this week.

Madam Speaker, I would be curious to know when we will be able to enjoy such a wonderful life. I doubt very much that Canadians are conscious of that at the moment, especially when the Minister goes on to say, and I quote: "This will be a testing year for the Canadian economy. The economic news will not be encouraging in

the months ahead. Growth will be slow. Employment is expected to continue growing, but now as quickly as the labour force, and the unemployment rate will rise."

We really have to wonder if we will ever see a strong economy with this government.

[*English*]

Madam Speaker, with this new budget we cannot congratulate the Conservative government for spending restraints. It is too little, too late. As stated by the Canadian Federation of Independent Business, and I quote: "If tax increases had been matched by spending cuts, the deficit would be half of what it is today and consumers would not be paying 20 per cent for consumer credit and small businesses would not be paying 16 per cent for their operating loans". Once again, the Canadian population will be paying for government mismanagement. This Minister of Finance is responsible. How much more can we take?

[*Translation*]

Madam Speaker, if inflation and interest rates continue to rise in 1990, we will be heading straight for a recession that will have been brought about by the Minister of Finance. In the Budget, the government announced that unemployment would rise and that assistance to business would be limited. As the Minister said: "With limited exceptions, grants will be eliminated and financial assistance will be repayable on more rigorous terms."

How does the government view the future of small and medium-size businesses in Canada? Is he favouring large businesses only when he tells us that to master our future in a changing world, we must expand our capacity to produce and sell Canadian goods and services at home and in markets around the world? Are Canadian small businesses not the very foundation of our regional and national economies?

How does the minister account for his cuts of more than $18 million at the Federal Business Development Bank, which is involved solely in assisting small business? More than half of the bank's budget has been cut, from $34 million in 1989-90 to $15 million for 1990-91.

Madam Speaker, the federal government announced it would abandon its regional development policy, without telling us whether the votes in question would be reallocated to other regional development initiatives or simply scrapped. Is this the beginning of the end for our regions, for the businesses in those regions and especially for the people who want to work there?

[*English*]

This budget is not serious. How can it be when the minister announces so innocently that "there will be no new taxes in this budget"? How can he say such a thing when everyone knows that Canadians from all provinces will live the side effects of the reduction of transfer payments to the provinces? It is a direct result of the budget presented in this House.

In my province of Quebec each taxpayer will have to pay $582 more because of this new budget. As someone so eloquently said:, "Tory times are tough times" and "Tory times are taxing times". Since 1984 Canadians have been blessed with 31 separate tax increases. What a blessing.

No new tax in the budget but the mechanism is in place for the new one next year.

[*Translation*]

The Acting Speaker (Mrs. Champagne): I am very sorry to have to interrupt the hon. member, but I just wondered when she intended to address the bill before the House today, the Small Businesses Loans Act.

I realize she is making an excellent speech, but she is getting into the far more general subject we have been considering all week.

I would appreciate it if the hon. member would concentrate on the subject now before the House.

Mrs. Maheu: Madam Speaker, without wishing to contradict you, the GST and the Budget do have a tremendous impact on our small businesses.

[*English*]

No new tax, as I was saying, in the budget, but the mechanism is in place for the new one next year, the GST, the goods and services tax, the tax the minister says will make low income Canadians better off, the tax nobody wants, the nightmare for small business, as Mr. Bullock of the Canadian Federation of Independent Business said.

[*Translation*]

Madam Speaker, more than 90 per cent of Canadians don't want the GST. Do they realize there is more than meets the eye? Perhaps it is time the minister told the truth about this tax which will come into force in 1991 and will cost all Canadians a lot of money, especially businesses which will have to hire more staff to collect this tax.

Canadians don't want it! The message is loud and clear. Does the minister have a hearing problem?

This tax, as the hon. member for Ottawa South (Mr. Manley) pointed out, is the biggest corporate tax break ever seen in Canada's history: $6 billion in taxes transferred from corporations to consumers.

Canadians do not know if they should laugh or cry. To help secure the approval of his Budget, the Minister appeals to the pride of all citizens by telling them, and I quote: "Canadians have stuck together through testing periods by reaffirming, time and again, their ability to build on the rich diversity of the nation with realism, determination, foresight and understanding."

[*English*]

When the minister presented this budget, he told the House that the replacement of the existing GST was a key part of the economic plan, that it would strengthen economic competitiveness, contribute to deficit reduction and lead to a fairer sales tax system. He also said that his government was going to continue working with the provinces to seek ways of minimizing the compliance burden of the tax, which is one of the greatest concerns of our small business community. Could the minister explain to the Canadian population how such a fair tax could be such a burden and give everyone a major headache, especially to small businesses?

[*Translation*]

Madam Speaker, the Minister had also assured us that the goods and services tax would be visible and yet, it will remain invisible! He said that the tax would be simple. I know for a fact that small businesses do not agree. Canada will be the only country with two sales tax systems: one federal and one provincial. Is it really the only way the Minister has found to put Canada on the map?

The Canadian Federation of Independent Business believes that the GST will be a nightmare for small businesses. Maybe the Minister is hiding something from us. Does he have shares in the Bayer company?

Besides causing migraines, the Minister seems to have trouble with his memory. He quickly forgets his promises. Businesses which have to collect the GST would have received some kind of compensation. I did say "would have", because of course this is no longer the case. Again, the minister has not kept his word.

• (1230)

Madam Speaker, through the years small businesses have become the driving force behind our economic growth and job creation in Quebec and in Canada as well. The new and developing small businesses have sustained the economic recovery which followed the 1981–82 recession and created in the eighties, most of the new jobs, that is over 80 per cent.

In 1987, 41 per cent of Canadians working in the private sector were employed by small businesses with less than 100 employees. Add to this the one million unincorporated self-employed workers, and you will see that small businesses accounted for 46 per cent of jobs in the private sector in Canada. The Minister of Finance does not seem to realize the significant contribution small and middle-sized businesses have made to support the economy of our country.

Madam Speaker, the small business community also has the highest rate of job creation. This is something quite significant, especially when the Minister of Finance coldly announces an increase in the unemployment rate for the coming year. From 1978 to 1987, more than 50 per cent of new jobs were created by businesses having less than five employees, which increased employment by 167 per cent.

The small business sector is more than a mere source of jobs. It is also a source of innovation and creativity. The Minister of Finance perhaps might get some training there before he presents his next budget.

Because they want to remain competitive, more and more small businesses are doing research and development. Businesses with less than 100 employees accounted for nearly nearly 20 per cent of R & D expenditures in the private sector. This is significant.

[*English*]

The Liberal party, contrary to the Conservative government, recognizes the vital role small business has in our economy. We are conscious of the essential part small business plays in job creation in Quebec and in Canada.

We have always supported small business. During the last election we made a commitment to help develop small business through new and creative initiatives, one of which was the setting up of an integrated information network with the help of the Federal Business Development Bank, which has just had a nice cut. A mere 50 per cent of its revenues have gone through the generosity of this Minister of Finance.

What about the assistance the Conservative government is giving, or rather, forgot to give to small business? What about the Small Businesses Loans Act? Does the Minister of Finance need a reminder of its original purpose? It was to guarantee small business loans from financial institutions. But, as we can clearly perceive through this budget, the government does not seem to recognize the importance of small and medium businesses in Canada.

[*Translation*]

Madam Speaker, traditionally the loan ceiling under the Small Businesses Loans Act has been increased regularly, based on the rate of inflation and the needs of small businesses, That was tradition. But the last time the ceiling was increased was in July 1980—and I repeat 1980—when it was raised from $75,000 to $100,000.

It is high time the Minister of Finance raised the limit from $100,000 to $150,000, all the more so that inflation has gone up more than 50 per cent since 1980. How far should it go before the government acts?

Madam Speaker, I would appreciate it if the minister told us frankly for once whether he wants small and medium-sized businesses to disappear, and whether he is hoping for the announced increase in unemployment? Or, on the contrary, as should any responsible government do, whether he wants the well-being of Canadians. Why is he then neglecting the future of our small and medium-sized businesses? Why has the loan ceiling remained at $100,000 since 1980? Why has the funding of the Federal Business Development Bank been cut by 50 per cent? Is that a Progressive Conservative Party management method? This is something that is not especially reassuring for the Canadian people.

[*English*]

When presenting his Budget, the Minister of Finance told us that we have "a responsibility to our children and grandchildren," and I am quoting him. Could he now explain how Canadians are to live up to their commitments when he announces an increase in unemployment and when his Budget does nothing to support small businesses that generate thousands of jobs? How are Canadians expected to make ends meet with a tax on goods and services coming into effect as soon as January, 1991? How is the quality of life to be improved for our children and grandchildren when job insecurity, inflation and a possible recession are just around the corner? Could the minister clarify all that? It does seem a bit confusing when one reads the Budget, or is it meant to be this way?

[*Translation*]

Madam Speaker, it is not, as proposed by the Minister of Finance, by taxing food and services and by neglecting small businesses, except at tax collecting time, that the economy of our country will recover and at the same time improve the situation of Canadian men and women. It is not by shifting the federal debt burden onto the provinces that the standard of living of Canadians will improve. Only by assuming its responsibilities and facing reality can this Tory Government really expect to remedy the situation of the Canadian people. But it will have to see things as they are and not as it would like them to be.

"We are cutting our expenditures without increasing the taxes. The tax pressure is already too great in Canada." That is what the present Minister of Finance said in March 1984. He has certainly forgotten that!

Finally, Madam Speaker, the Minister has repeatedly broken his tax reform commitments. He had promised that his GST would be revenue neutral. It is not. He had promised that his GST would be visible. It is not. He had promised that his GST would be simple. It is not. He had promised that the Crown would compensate businesses for collecting his GST. He changed his mind. How could the Canadian people still trust a Minister who has failed so much in living up to his commitments? How could small and medium-sized businesses hope to survive when the Minister of Finance has cut by over 50 per cent the funds available to the Federal Business Development Bank and refuses to rise the loan ceiling from

$100,000 to $150,000, while the inflation increased by over 50 per cent since 1980?

How could we believe a Minister of Finance who claims to "follow a consistent and comprehensive program which should make it possible for Canadians to benefit from a standard of living and a quality of life unprecedented in the world"?

[*English*]

Mr. Skelly (North Island—Powell River): Madam Speaker, in terms of small business there is a general comment that I would like to make about the lack of support of the government.

First, is the closure of post offices and the effect that has had both on the communities generally and small businesses particularly. The Halfmoon Bay post office would be a prime example to illustrate this. Halfmoon Bay is a small community with a small post office that has served that community. A large number of the people are senior citizens and there are some small businesses. The post office is one of the key communication systems for those businesses in carrying on their activities. The post office with a very high-handed approach has without consultation shut that post office down and, in the opinion of many people there, harmed those businesses and the people who live there showing no concern for them. The argument that they have privatized postal services into small businesses has, in fact, harmed the community and in many cases caused a great deal of difficulty for the small businesses involved.

That post office at Halfmoon Bay has been there since 1883. It is an integral part of the community and serves small businesses there. It was an arrogant process by which the postal corporation shut it down, with the approval of the government, It refused to negotiate with the community on the provision of those services. One business benefits, but many, many others are harmed.

• (1240)

I wonder if the government is taking into consideration, not only the budgetary items mentioned by the hon. member, but its attitude in harming the infrastructure by these postal closures. This process of privatization—cutbacks in services, higher cost services as illustrated by the shutdown in Halfmoon Bay—is causing a serious deterioration in the community, and has a very negative impact on the majority of small businesses.

Does the hon. member have a comment on postal shutdowns and other services that the government has cut back that have caused some serious harm to small businesses?

Mrs. Maheu: Madam Speaker, I thank the hon. member for his question.

I think I would go a little further than the shutting down of small local post offices. Let us talk about the mail superboxes. They have caused great problems for Canadians.

I guess the simplest answer is that I do not have too much to say except that the government just does not care about people. It never has.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, it gives me great pleasure to rise in this House to comment on the bill before us which involves amendments to the Small Businesses Loans Act and extends that act for another three years. As well, it gives me pleasure to be able to comment on the state of small business in the country, particularly in my province and community.

I think all of us recognize the very vital role that small businesses play in all our communities, be they rural communities, urban communities, neighbourhoods, small towns or whatever, even northern communities.

When we examine what we do with regard to small business it bears thinking that between 1980 and 1988 fully 70 per cent of the new jobs in Canada were created by businesses that employ five people or less. This means that rather than big business which the government tends to promote as being the instrument of growth in this country, it is the small business sector that keeps creating the jobs.

Small businesses are the mainstays of the communities in which they operate. Sure big corporations from time to time sponsor national events, get their names on billboards and so on, but when it comes to the week-by-week, day-by-day sponsorship of hockey teams, provision of prizes for different kinds of raffles that keep the service clubs operating in all these communities, it is the

small business sector that keeps all those community activities going and provides leadership.

As well, perhaps most important in this era of free trade and increasing foreign control of our economy, still fully 98 per cent of small businesses are Canadian-owned. I think that is just one more reason that it behooves all of us to support the small business sector.

This bill is essentially housekeeping. It cleans up the act, provides some amendments and extends the period of the act. What bothers me somewhat in this debate is the government claiming that this bill represents its commitment to small business and that it represents the commitment of the Progressive Conservative Party to small business.

I say to you, Madam Speaker, that small business has started to see this government's commitment, or claims of having a commitment, as a joke. I would like to outline the reasons that small business is starting to feel more and more that, in fact, this commitment is not only a joke but a sick joke.

First, the whole tilt of economic policy by this government since it was elected in 1984 has been very decidedly in favour of big business at the expense of small business and local communities. It has done that in any number of ways. It has done it through free trade. It certainly is not going to be the corner store that will be involved in massive deals with New York, Denver or Chicago, or whatever. It is big business that does that, not small business. It stacks the deck in favour of big business.

The deregulation we have seen in many sectors has allowed the big companies to take over sectors where small business used to operate and compete and now are not able to any more.

As well, it affects areas that are essential to small business such as air travel and transportation to remote communities. In fact, what has happened is that all we see now are services to the larger communities. Services to the smaller communities where small businesses are located are disappearing.

The government has chosen to stay on a course of persistently high interest rates that penalize small businesses which have to go outside the family or the community for its money. Big business can raise money internally. It can raise money on the capital markets. The whole system of high interest rates has militated against small businesses, even though they are the ones that keep this country in business.

As well, the tax policies have created a situation where wealth is sucked out of the hinterlands, the small towns, small businesses and the entrepreneurial families. It is concentrated in big cities and big financial institutions, again making it more difficult for small businesses to compete.

The other reason small business sees the government's commitment to them as being a joke is that, more than any other sector, they depend on their customers having money to spend. Without customers who have money to spend and vibrant local communities, small business cannot operate.

I would like to point out what is happening in my own province of Saskatchewan. Finally the central Canadian media are starting to recognize Saskatchewan as being an economic disaster area. In 1988, there were 461 insolvencies, 2,063 businesses disappeared, and only 2,664 businesses were created in that province. That is a net loss of 900 businesses in a small province with only one million in population in just one year.

We see the same trend in my own community of Prince Albert, the major centre in my constituency. In 1987, there was a net gain of 31 new businesses. In 1988, there was a smaller net gain of 18 new businesses. In 1989, there was a drop in the number of businesses in that community of 18. With the way the trends are going, that pattern of businesses disappearing can do nothing but accelerate.

It is no accident that this has happened to the province of Saskatchewan. In the farming community in 1984, when this government took office, there were 67,000 farms in Saskatchewan. Projections are that when the government's term runs out in 1992 there will only be 54,000 farms left, a drop of 13,000 farms in the province of Saskatchewan. That is 13,000 farm families who are not buying their groceries and machinery, who are not getting their hair cuts and so on, in the small communities of Saskatchewan.

Since the government was elected in 1984, 64,000 people have been forced to leave the province of Saskatchewan. People want to stay but economically they are not able to under the government's economic policies. Just in the last year 23,000 people left the province. We used to consider ourselves a have province. In fact, there was a time during the former NDP government we

were not getting equalization payments. We had a surplus budget.

What has happened now? We are the second-poorest province in the country. We have 13.9 per cent of our population, almost 14 per cent, living below the poverty line. That is more than one in ten families and nearly one in seven. Certainly people living in poverty are not helping small business either to farm or to keep going. It is no wonder that there are all these bankruptcies and business closures.

Of the 500 towns in that province, 300 lost population in the last five years. It is an utter disaster. Bankruptcies have tripled. What kind of direction do we see from the government now that small business is looking to it for a signal as to what kind of future they can envision and expect?

The government not only predicts but plans for higher interest rates. The rates are now at 13 per cent. As my colleague, the member for Yorkton—Melville said, who can believe the government's estimate that the average next year will be 11 per cent when we are starting the year at over 13 per cent? We are going to have lower disposable income next year and the families in the country, and certainly in the province of Saskatchewan, will have less money to spend and not more. They are already hurting. What does the government say? Because of its economic policies, there is going to be a full 1 per cent drop in the disposable income available to Canadians. With a 5 per cent inflation rate, it means, in effect, that they will be able to buy 6 per cent less goods and services when we already have 15 per cent poverty.

• (1250)

The government expects that in the next several years unemployment is going to grow by 100,000 jobs per year. We know what happens. This fall in income and this rise in unemployment are not going to spread evenly across the country and they are not going to happen evenly in all the communities. They are going to happen in those precise communities that are already in trouble.

So not only do we have what was a localized recession and economic catastrophe, but the government is building into the system and virtually guaranteeing a national recession. That means that the economy of Saskatchewan cannot look for any help from the rest of Canada.

Then we have the prospect of the goods and services tax. Certainly nobody has rallied to fight the goods and services tax like the small business community. I have tabled petitions in the House representing thousands of people in my constituency. I go through the names to see who they are and what communities they represent. Every time I look at a page I am struck by the number of people who represent the small business sector and, in fact, people who have ardently and enthusiastically supported the Progressive Conservative Party in the past. Theirs are the names that are showing up on the GST petitions. They know what it is going to do to them in spite of the claims of the government and the Minister of Finance.

Also I would like to comment briefly on the situation faced by small businesses in the northern part of my constituency and, by extension, small businesses right across northern Canada. Those communities are in the forest and mining areas, and the native communities of the country.

The businesses operating in those communities face a large number of very special handicaps. There are no banks in most of these communities. In the northern part of Saskatchewan there is a bank in La Ronge and one in Creighton. There are 43 communities in northern Saskatchewan, which means that 41 of them do not have access to banking services. There is nothing in the banking system that says in spite of the hundreds of millions of dollars that large corporations pull out through mining and other activities, there is any obligation to provide banking services to those communities. It means that people wanting to start businesses do not have any kind of credit rating. It means that you cannot make a daily or even weekly deposit without driving hundreds of miles, or even flying, to the nearest bank. It is very difficult to run a business under those circumstances.

Regional development programs that assisted northern businesses and, in fact, all the businesses in our region have been gutted. Regional development programs made it possible for small businesses to have access to programs that would enhance forestry and fishing. They could develop economic organizations where they could group together to speak with one voice and to plan the economy of their communities. The kind

of grassroot programs that used to be available under regional development programs are gone. Instead, we have the Western Diversification Fund operating just in the big cities. It is clearly tilted toward further support for big business and completely ignores the needs of small businesses in those northern communities.

As well, we see that northern tax benefits are under threat by a task force set up by the government. It is a tax benefit brought in a few years ago and then the government shut the door. It was a tax benefit that recognized the high cost of living and of keeping trained personnel in those communities, the high costs that are associated with living in northern Canada.

As well, the point that was alluded to by the member for North Island—Powell River is a very real factor in those northern communities. Rather than building up the infrastructure of post offices, communication systems, transportation system and telephones, what we see is the government listening to their big business friends who say: "We only need those services in the big cities. We need to provide those services as cheaply as possible to the big users. The people who live in the rest of the country, the vast majority of the land area in this country, can make do and have to make do." Instead of improving, those communities which can make an economic contribution to Canadian life are faced with the lower and lower services and are more and more removed from the mainstream of economic life in this country.

So what do we need? Certainly this bill helps, but it is just a drop in the bucket compared to what small business needs.

First, in Saskatchewan we need a farm program that is not going to centralize agriculture into a few big corporate farms at the whim of the international market. We see the government at the GATT and free trade, selling out the family farm sector. All that means is even more acceleration of the trend to even fewer farms. Predictions are that if the agri-business model takes hold, we might be down to 14,000 farms in Saskatchewan within the next 20 years. That means that thousands more businesses will disappear. In fact, whole communities will disappear.

We need a Bank Act that will do several things. It needs to put small business on an equal footing with big business, both with respect to interest rates and collateral required and with respect to where those banking services are offered. They should be offered right across the country so that we do not keep sucking money out of the small communities and the frontier areas of this country to deposit for use by big corporations in Toronto, Vancouver and Montreal.

We need regional development programs that, on a sector by sector basis, build up those resource areas that could make a contribution to the country and its economy. They could then make a contribution to paying off our debt.

We should be reforesting northern Saskatchewan, and all the forested areas that have been clear-cut and are being left to blow away in the wind. We could create a lot of employment and ensure the future viability of business in those communities by planting more trees.

We need to take the environment seriously. Given the small population of the frontier areas of the country, if we took the environment seriously and cleaned up our lakes, restocked the fish, and cleaned up the pollution from old mines, everybody in those areas would be working rather than having 70 per cent to 80 per cent unemployment rates.

Obviously, we need lower interest rates. Interest rates are the biggest killer of small business. We need an end to the GST. We need a recognition of community economic development corporations, co-operatives, and other alternate sources of capital that will allow people in those communities to pool their capital, raise new sources of funding, organize themselves into businesses, and look at business opportunities in their communities. We need new creative ways to do that. What we have seen is that former practices are being taken away. We have to return to some faith in the grassroots of Canada to be able to control its own destiny.

We need to ensure that the customers of small businesses have money. We have to have a full employment policy in Canada. People with welfare cheques and unemployment cheques are not the same kind of customers as people with pay cheques. If there is one thing that small business in the country and in my constituency would like to see, it is more people with pay cheques and fewer people with welfare and unemployment cheques. The people with those welfare and unemployment

cheques would like to see that too. There is a coalition of interest there.

Most of all, we need a government with a policy that ends this fixation with big business—this fixation that only big business can help us compete in the so-called brave new world. What we need is faith in grassroots Canada and the communities of Canada to control their own economic destiny, so that every community and every citizen of this country has a personal stake in its economic future.

Mr. Harvey (Edmonton East): Madam Speaker, I was just wondering if the perfect cap to the hon. member's absolutely reasonable and, indeed, incisive remarks, might not be an observation by him as to persons to be found in the gallery.

Mr. Funk: If that is permissible, Madam Speaker, I would like to introduce my mother, Helene Funk, from Saskatchewan; my sister, Carla Sheridan, from Ottawa, and her two daughters, Jessica and Anna.

The Acting Speaker (Mrs. Champagne): The Speaker being the only person who can officially recognize people in the gallery will be happy to join and transmit greetings.

• (1300)

Mr. Skelly (North Island—Powell River): Madam Speaker, the hon. member raises a good point, but I would like to make some observations about postal shutdowns, particularly, as an example, the Halfmoon Bay postal shutdown.

It is my hope that the minister responsible for the Canada Post Corporation will also comment on this shutdown. It illustrates the absolute arrogance of Canada Post, particularly in the western region. This particular small post office has been in place since 1883 and is an historical facility in the community. It is interesting that the Canada Post Corporation and the Conservative government would remove that post office without negotiation or without consultation with the owners, two small business people in Halfmoon Bay. They placed their business in jeopardy. They placed the community in jeopardy, as well as the other small businesses and the senior citizens who depend on that post office.

When Canada Post decided to close the post office it sent in a PR flack, a person of incredible arrogance. The reaction of the community to that person was astounding. It is no wonder that the Conservatives are 19 per cent in the polls and dropping because of that kind of arrogance.

The western regional people have to return to the Sechelt Peninsula, to Halfmoon Bay, to discuss with the small business people who run that operation about reinstituting it so that it can once again serve the community and about restoring it to its current position in the community.

The arrogance in the approach of Canada Post toward those small businesses is unacceptable. The rural post office is an important infrastructure and it has to stop the arrogant high-handed procedure where a public relations person comes in and says: "We've decided this is what is going to happen. We are going to close it, and you are going to like it".

Does the hon. member have any additional thoughts concerning the high-handed approach taken on these postal services?

Mr. Funk: Madam Speaker, I would like to thank the member for raising that point. It allows me to expand a little more on the issue of postal service.

In my own constituency we have seen postal services disappear in the community of Henribourg, a community that had had postal service for over 50 years. We have seen a postal service cut-back in the community of Shipman.

In communities in northern Saskatchewan that are rapidly growing, for example the community of Pelican Narrows which has 1,200 to 1,500 residents, we see the postal service operating out of a little hole in the wall that has hardly any heat. There is postal service only three times a week, which makes it very difficult to carry on any kind of economic activity.

This is the case right through northern Saskatchewan. Thrice weekly postal service is what many of those communities have come to expect. There are communities that do not have money order or c.o.d. services, so it is virtually impossible to use the mail for any kind of business.

Furthermore, as a result of the way the mail is routed, mail from the eastern, central and western parts of northern Saskatchewan has to go through the south; some of it through Flin Flon and down to Winnipeg and Regina, then up through Saskatoon and Prince Albert, to get about 100 miles across country. This makes it very

difficult for communities to carry on business activities between themselves.

People in northern Saskatchewan realize that to build up the fishing industry, the wild rice industry, the local forestry business or to create business organizations you need to be able to communicate with each other by postal service. Now that is not possible. The postal service is useless. If you wants to call a meeting you have to send out the mail a full month in advance, and you do not get the minutes before the next meeting is due. People in the south just do not realize what kind of constraints businesses and, indeed, community organizations and individuals operate under in these kind of communities when they get the kind of postal service that Canada Post is giving them. It is a high-handed and arrogant approach, not only to the postal service that already exists in many small communities, but it is totally counterproductive if we are looking at building up the economies of these regions which, historically, have been underdeveloped and have had high unemployment rates.

Mr. Skelly (North Island—Powell River): Madam Speaker, the example of the Halfmoon Bay post office was one of just incredible arrogance in its shut down and then in terms of the accountability.

I would like to suggest to my hon. colleague that the president of the Canada Post Corporation, and the regional director, have absolutely no sense or feeling for the people who live there. The fact is that post office is an incredibly historical operation there. It is a major support to small business in that community. The high-handed attitude has got to change. The corporation has to get in there, negotiate and attempt to consult with the people involved before making these kinds of decisions about service to the community. Only in that way can the Conservatives hope to stop the drop from 19 per cent to 9 per cent and then right through the floor.

The fact has been mentioned that postal service stations could provide other things such as banking services in these areas. There has been a lot of talk that banks no longer serve many of these smaller communities. There are banking functions that the post office could perform. It could also serve as a government office and deal with pension forms, citizenship forms and passport forms. It could be a representative of the Government of Canada providing a service on a broader basis through those postal facilities to the community and to small businesses.

If there is anything that the Halfmoon Bay case gives us it is an illustration of the arrogance, the high-handed approach and the unwillingness to work with people.

Mr. Funk: Madam Speaker, I totally agree with the member. Not only the case that he describes represents high-handedness and arrogance, but that is true right across this country in many small communities.

As he points out, not only have post offices played an historic function in holding those communities together, they being the centre of those communities, a place where people gather, but there are a lot of government services that people need on a day-to-day basis. They need contact with the Government of Canada and those services could be expanded to operate through those post offices. In fact, I believe that is true in Britain, where post offices are used in that fashion. I think it would be a good model for us. Services could be extended to people who certainly have an equal right to get those services as everybody else.

As long as this government is totally obsessed with running the post office to make a profit what will happen is that it will be run into the ground in the small communities. Certainly a small community post office is not going to be a big money-maker compared to shipping large volumes of mail between Toronto and Vancouver. Everybody knows that. I think it is criminal for us to ignore the infrastructure and service function of the post office just giving it the function of making money for the government.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I know some of the Tories may be concerned about the opportunity to get away on a holiday but I am under the impression that we are here in this House to debate. We have time limits established. I was also under the impression that the Tories consider small business an important element in the Canadian economy. I may be wrong.

Mr. Cooper: Madam Speaker, first, we on this side were under the understanding that the debate was to be finished. It has nothing to do with our attitude toward small business which is reflected by the bill that we put forward in the House of Commons. So perhaps the hon.

member would confine his remarks to the issue at hand and not get off on his usual partisan strides.

Mr. Skelly (Comox—Alberni): Madam Speaker, I am not sure on what pretence the previous speaker gained the floor, but it certainly was not a point of order. Regardless of what understanding they were under, I am under the understanding that the House sits until three o'clock and that this government bill is the subject of debate. I was advised by my whip that members are permitted to speak on it until three o'clock. Whatever impression that Tory house leader is under has not been communicated to me.

• (1310)

I am concerned about small business and that is why I am on my feet in the House of Commons at the time appropriated for debate on this issue and I certainly intend to debate it. While we support this piece of legislation, we on this side of the House are certainly concerned about the differences in the way that small businesses are treated by this Tory government as opposed to how large businesses are treated. Nowhere was that more evident than in the case of the budget speech which recently came down in this House. When you compare how much of the largesse of this government is given to large businesses, this bill is simply a pittance compared to what the government should be doing in order to help small business grow and thrive.

We have heard some fine statements from that side of the House. We have heard that small businesses create 70 to 80 per cent of the employment in this country. We have heard that small business is the most innovative sector of our business economy. We have heard that small business is also the most competitive sector of our economy. Yet, the very little this government does in order to support small business has to be the subject of more important debate in this House than has been the case.

I heard in advance of the budget coming down this week that the Canadian Manufacturers' Association and the Business Council on National Issues were talking about how seriously the deficit had to be cut and what stringent measures had to be taken, even to the extent of cutting grants to business. The newspapers were saying to the people of Canada that here was an example of business sacrificing its own interests in order to cut the deficit. In point of fact, nothing could be further from the truth. There is absolutely nothing in this budget that stops the huge flow of resources from the taxpayer of this country to large businesses.

The amount of tax expenditures made available to large business is absolutely unbelievable compared to the pittance that is made available to small business. The capital cost allowances in this country are the most generous of any country in the developed world. Businesses are allowed to depreciate their equipment and to replace labour with capital at a rate that does not even make sense. They are purchasing unnecessary capital to replace labour because of that generous capital cost allowance that we give them. That is not available at such generous levels in any other country on the globe.

If only we were as generous to small business as we are to the large corporations. Nothing is done in the current budget to change that situation. That constant bleeding of taxpayers' resources into non-productive investment still contributes to the deficit and still contributes to the high price of doing business in Canada. If we were going to be serious about trimming the deficit, we should have taken a look at that area of tax expenditure because it is a serious problem in Canada with which we should have been dealing.

In this country we also permit the borrowings of corporations involved in corporate acquisitions and mergers to be deducted from their cost of business in order to calculate their income tax. It is a virtual government support of corporate acquisitions and mergers. The result of these mergers is generally the loss of jobs, the loss of production facilities in Canada, and the loss of the Canadian economic inventory.

As a result, we tend to lose jobs, we tend to lose production and we tend to lose taxpayers' resources which could be reallocated to trimming the deficit. That is the kind of thing that should be cut. It is a direct concession, a direct grant to large businesses; the kinds of grants and concessions that small businesses in this country do not get. We are not giving small business the kind of service that it should be receiving. We recognize that they are the greatest job creators. We recognize that they are the most innovative sector. We recognize that they are the most competitive sector. Yet, we do next to

nothing in order to support them compared to what we do for large business.

Large business in Canada is essentially controlled by a number of small families who also donate to the Conservative and Liberal parties. They consider those two parties wholly-owned subsidiaries when they are doing business with government and doing business in Canada. If we examine business in this country we find that large business in Canada is the least competitive and the least innovative. As a result, Canada is not served well by its large business sector.

We continue to bleed huge amounts of the government's tax expenditures into that sector while getting virtually nothing in return. Part of the problem is that there is too tight a connection between the bureaucrats in the Ministry of Finance and the large business sector. There seems to be an unethical kind of transfer back and forth between those two sectors.

I want to draw attention to an article about Mickey Cohen in a recent *Globe and Mail* business report which pointed out that as the deputy minister of finance he was responsible for a substantial number of tax concessions made to business. While he was the deputy minister he made available a half-billion dollar tax concession to Olympia and York developments and suddenly, within weeks, he was an employee of Olympia and York developments. There was simply too tight a connection between those groups.

Is that the kind of entrepreneurs we are developing in the large business sector in Canada? While they are working for the government they manufacture tax concessions for their future employers. That has been the problem with the way this government has dealt with large business in this country all along.

As far as I am concerned there has to be more attention paid to small business people. Those are the people who keep our small communities alive. Those are the people who develop the new and innovative products that are going to take Canada into the world economy as a high technology competitor, and yet that is the sector of the economy that is being starved.

Rather than hacking away at programs for native Indians, rather than hacking away at programs for women, rather than hacking away at programs for small businesses by converting their grants to repayable loans in the budget, we should have been helping those sectors because that is where the greatest number of jobs are being created in this economy.

I intend to vote for this bill, but I am certainly concerned about the kind of favouritism this government and the previous government has shown to the large business sector at the expense of small business and individuals.

Mr. Skelly (North Island—Powell River) Mr. Speaker, the issue I would like to raise with the hon. member is the role of big business and the advantages it draws compared to those of small business and the need for the public to have some input.

I would like to address to him a matter relating to the P. J. Wooding Ferro chromium proposal for Port Hardy, British Columbia. It is a major business proposal. The company has received about $4.5 million from the federal government and $4.5 million from the provincial government.

The people to be affected by that project have not managed to obtain any positive response from the Minister of Fisheries and Oceans, the Minister of the Environment, the minister responsible for western diversification or the minister responsible for Indian Affairs on intervenor funding. It is absolutely crucial, if a business with serious impact is to be developed in a community, that intervenor funding be provided to those groups attempting to explore the environmental and social impacts of such a business.

Without prejudice or without prejudging the particular project, the community has a right to know. There are native people in that area who are concerned about their land claim, about the effect on their traditional way of life. They need money to purchase expertise, to study it, and to input properly into the environmental assessment review panel.

• (1320)

This is such an important area for the fishery on the northern end of Vancouver Island that the community affected by possible impacts must have help from the Minister of Fisheries and Oceans to obtain technical expertise. The Western Initiative Fund people felt that it was necessary for expertise and input to be given, and that is why we have the assessment review panel in place, but at this point there is an unwillingness on their part to provide technical assistance through intervener funding or direct aid to these groups.

The Department of the Environment, of course, has the crucial first responsibility to give assistance there. Hopefully this intervener funding will come forward. Also, the Environmental Assessment Review Panel has the right to engage technical expertise to assist those groups in their quest for information so that their input to the community can be reasoned, knowledgeable and effective.

This House, the ministers responsible and, I am certain, the hon. member, would concur that it is absolutely imperative that those intervener funds be brought forward and provided to those various communities on the northern end of Vancouver Island affected by this project and that the technical expertise through the assessment review panel be provided so that a full, knowledgeable inquiry into this production process can be made and that proper conclusions on a foundation of good solid knowledge can be provided.

Also, there is a great deal of this project that is hidden by the confidential provisions of contracts and covered up by the Privacy Act. We have to have access to the key elements of that, even if they are considered *in camera* and confidentially. They have to be brought out where people with the proper expertise can evaluate them and assess the impact to the community.

This is absolutely critical. Citizens can no longer be hoodwinked and kept in blind ignorance about projects that are going into their area. It is absolutely imperative that the committee engage a full range of technical expertise to help the community provide information and that intervener funding is provided. I am absolutely certain that the government would want that to happen as well as the previous member.

Mr. Skelly (Comox—Alberni): Mr. Speaker, I would like to thank the previous speaker for his intervention.

This is a problem that we face with the size of corporations that are doing business in Canada today. If a corporation decides to set up a new operation it has huge resources at its fingertips, resources that essentially have been financed by the Government of Canada through the various tax concessions I was talking about. They can mobilize a series of biologists, engineers, and other people with expertise to inform citizens that the project they have in mind is not going to cause environmental or social impacts that are damaging to the community.

Unfortunately, they can also retain information and hold information in confidence. If we are to have a competent environmental and social impact assessment process, we need the resources and the ability, through the rule of law, to demand that information and also to call to account those corporate employees who are employed on environmental impact statements. Because we do not have intervenor funding from the federal government, those corporations are, unfortunately, allowed to wield a greater amount of power over the environment than they otherwise would be allowed.

Mr. Skelly (North Island—Powell River): Mr. Speaker, the P.J. Wooding Ferro chromium project on the northern end of Vancouver Island is heavily subsidized by the federal government. One of the things that is seriously questioned is the attitude of that company toward organized labour. There is a great deal of concern in the community that the federal government could provide a grant to a company which is prepared to prohibit its workers to organize, to prohibit its employees the right to have a contract with their employer and bargain collectively for their wages and working conditions.

It is important when the government is giving grants, especially to an outfit like the P.J. Wooding Ferro chromium project, that there be an opportunity for organized labour to go in and organize that workforce, to permit them their rights under the law and to bargain collectively for their wages and working conditions.

This absolutely assures that the money from that project, the return on taxpayers' dollars and the return on the resources, accrues to the community of Port Hardy and is not carried away to some other jurisdiction as so often happens with foreign ownership and ownership from out of the region. If they permit organized labour into that operation a better share accrues to the community. Grants from this government should not be permitted to any corporation which attempts to exclude organized labour from that project. This is absolutely critical. It would be my hope that the government would make a statement on that today.

[*Translation*]

The Acting Speaker (Mr. Tremblay (Québec–Est)): Questions or comments? Debate? Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Tremblay (Québec–Est)): Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: On division.

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

The Acting Speaker (Mr. Tremblay (Québec–Est)): Since there is no other business on the Agenda, pursuant to the order made Wednesday, December 20, 1989, the House stands adjourned until Monday, March 5, 1990, at one o'clock, pursuant to Standing Order 24(1).

The House adjourned at 1.27 p.m.

HOUSE OF COMMONS

Monday, March 5, 1990

The House met at 1 p.m.

Prayers

[*English*]

Mr. Speaker: I anticipate two immediate matters. I will hear, first of all, the hon. member for Ottawa—Vanier.

[*Translation*]

POINT OF ORDER

ELECTION OF DEPUTY SPEAKER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to put a question to the Leader of the Government in the House of Commons. First, however, I would like to congratulate him and say that we welcome his appointment as the minister responsible for the business of the House. We are confident he will draw on his many skills to work with his opposition colleagues in this House, in a manner that is constructive and in the best interests of Canadians.

Mr. Speaker, my point of order concerns Standing Order 7(3), which I will read to you. It is about the Chairman of Committees of the Whole—in other words, the Deputy Speaker of the House:

> The Member so elected as Deputy Speaker and Chairman of Committees of the Whole shall continue to act in that capacity until the end of the Parliament for which he or she is elected, and in the case of a vacancy by death, resignation or otherwise, the House shall proceed forthwith to elect a successor.

Could the minister inform the House whether he intends to consult the opposition, as is customary and in keeping with parliamentary tradition, before moving the motion to elect a Deputy Speaker of the House?

[*English*]

Hon. Harvie Andre (Minister of State to Prime Minister and Government House Leader): Mr. Speaker, cognizant of the standing order and its requirements, and because of the fact that we had a recess since the elevation of the former Deputy Speaker to cabinet, the Prime Minister has not had an opportunity to have the usual discussions with the leaders of the Opposition. It is his intention to do so, after which he will have a recommendation hopefully agreed to with opposition leaders to bring to the House for election to Deputy Speaker. It is only for that reason that there is a delay.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too want to echo the concerns of my hon. colleague from Ottawa—Vanier. The point he raises is most appropriate.

I also wish to take this occasion to welcome my good friend from Calgary Centre in his new position. It appears as if there is a bit of an Alberta Mafia developing here in the government. We have the member for Calgary Centre, the member for Peace River and the member for Calgary West, all playing a critical role on the government benches. We look forward to an ongoing close working relationship with the team.

BUDGET DEBATE

Mr. Nelson A. Riis (Kamloops): I rise today at the first opportunity after the break on a point of order, Mr. Speaker, to suggest firstly that debate on the budget motion be suspended and, second, to request that you carefully review the government bill currently on notice and determine whether or not the House should proceed with that bill at this time.

On Tuesday, February 20, the government presented its budget and moved the traditional motion to approve the measures it contains. A debate on this motion and the traditional amendments took place on subsequent days of that week.

Since that debate was last adjourned a significant event has in fact taken place. The Government of

British Columbia has approached the courts and asked for a ruling on the legitimacy of one of the major components of that budget, namely the Canada Assistance Plan.

Specifically, the province of British Columbia is asking the Court of Appeal to answer the following questions.

First, has the Government of Canada any statutory prerogative or contractual authority to limit its obligation under the Canada Assistance Plan Act, RSC 1970, Chapter C-1 and its agreement with the Government of British Columbia dated March 23, 1967 to contribute 50 per cent of the cost to British Columbia for assistance and welfare services?

• (1310)

Second, do the terms of the agreement dated March 23, 1967 between the Governments of Canada and British Columbia, the subsequent conduct of the Government of Canada pursuant to the agreement and the provisions of the Canada Assistance Plan Act, RSC 1970, Chapter C-1 give rise to a legitimate expectation that the Government of Canada would introduce no bill into Parliament to limit its obligation under the agreement or act without the consent of the people and Government of British Columbia?

Those questions are contained in Order in Council No. 287 signed by the Lieutenant-Governor on February 27, 1990.

I have forwarded a copy of the Order in Council and all relevant court documents that I have been able to obtain to the Chair.

We know that the first court hearing on this issue will take place tomorrow afternoon. I hope you will agree, Mr. Speaker, that the House should do all that it can to ensure that this hearing is as fair to the citizens of British Columbia as is possible.

I think it is important at this point for the House to remember the pledge it made some decades ago when it established the Canada Assistance Plan and defined the federal responsibility over welfare assistance, child care and other related issues.

Section 8 of the Canada Assistance Plan Act states: "an agreement may be amended or terminated by mutual consent of the minister and the provinces" and "Canada may at any time give to the province notice of intention to terminate an agreement—the agreement shall cease to be effective for any period after the day fixed in the notice or for any period after the expiration of one year from the date on which the notice is given, whichever is the later."

Historically the House has by convention restrained itself from discussing questions which are before the courts when such a discussion would prejudice the outcome of those proceedings.

I refer of course to the *sub judice* convention.

Beauchesne's fifth and sixth editions describe the responsibility of members to exercise restraint in the following way:

> Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this *sub judice* convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

As a result of the cases brought before it the House has a much clearer understanding of the *sub judice* convention as it applies to criminal cases than civil ones.

But the premise of the convention that everyone is entitled to a fair hearing before the courts without prejudicial debate in the Commons surely applies equally to criminal and civil matters.

I hope you will permit me, Mr. Speaker, to explain why I feel it should apply in today's circumstances.

The courts are being asked to judge whether there is a legitimate expectation that the Government of Canada would introduce no bill into Parliament to limit its obligation without the consent of British Columbia. It is also being asked whether the government has any authority to limit its contributions.

These two questions are part and parcel of the motion currently before the House. If the House resolves its approval for the budget, it will be endorsing the authority of the government to limit its contributions.

If the House gives leave to introduce any bill which reduces the Canada Assistance Plan to any or all provinces, it will be asserting that there is no "legitimate expectation that the government would introduce no bill".

How could the adoption of the budget motion fail to prejudice the rights of the citizens of British Columbia to a fair hearing on their questions?

Would it be fair for the government to be given the opportunity to put on the public record four days of evidence without the Government of British Columbia being able to have the opportunity to rebut or question that evidence or forward some of its own?

Similarly, to allow the bill on notice, if it indeed does limit payments under the Canada Assistance Plan, would prejudice the same appeal. It would also breach parliamentary tradition.

Beauchesne's sixth edition at paragraph 508, clause 4 reminds us that:

> The reference of a bill to the Supreme Court of Canada withdraws that bill temporarily from the jurisdiction of Parliament—The question cannot be before two public bodies at the same time.

Beauchesne's cites a 1948 ruling that is germane to the question before us at the moment. At that time the Speaker was asked to accept an amendment to a government motion to appoint a joint committee of the House and Senate to consider the question of human rights and freedoms. The amendment proposed would have called for a reference to the Supreme Court of a general question of federal jurisdiction over the freedoms of speech, assembly, et cetera.

The Speaker at that time disallowed the amendment saying that "this amendment actually proposes that the Supreme Court be asked to consider the same matter that the main motion proposes to refer to a select committee. It seems to me that both these propositions cannot be approved at the same time by the House. If the constitutional situation of human rights is submitted to the Supreme Court, it thereby becomes *sub judice* and cannot be considered by the committee until the court has given its decision. The question cannot be before two public bodies at the same time."

I submit that if the debate on the budget motion proceeds, and if the bill currently on notice is in fact introduced, this is exactly what will ensue. Two public bodies, each trusted with responsibilities over justice, will have before them these questions about the legitimacy of the proposed termination of agreements under the Canada Assistance Plan.

Before I conclude, allow me to address briefly the *sub judice* convention itself. It strikes me that every time a public issue is before the courts, the House is buffeted by opposing whims on how the convention should be applied, whether the convention should be applied, why it should be applied, and so on.

Should such a re-examination occur today, I submit that it should not be material to your decision, Mr. Speaker, or the decision of the House to suspend voluntarily debate on the budget motion.

Nor should it colour your decision on whether or not to allow the bill currently on notice to proceed, because the convention does exist and it continues to be applied.

For example, only last summer, Mr. Speaker, you interjected to remind the House of its self-imposed restraint when members of the Opposition attempted to question the government on its decision to lay charges against Mr. Doug Small and the conflicting evidence given to the House committee.

In fact, since I have been in the House, I can only remember *sub judice* being applied to prevent the Opposition from unrestrainedly asking questions of the government on topical issues of the day.

Although it may sometimes appear so, the convention does not exist to protect the government. It exists to protect those before the courts.

Therefore, Mr. Speaker, I ask you to protect the interests of the citizens of British Columbia whose elected representatives are challenging, on their behalf, the budget measures proposed by this government.

I ask for debate on the budget motion to be suspended and for any proceedings on any bill regarding the Canada Assistance Plan to be stopped until such time as debate will not imperil the rights of these citizens from British Columbia to a fair hearing.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to make a couple of comments on the point raised by the member for Kamloops, House leader for the New Democratic Party.

Indeed he may have a point. The government could be breaking the law or possibly has broken the law already, but in my view this is a matter of law and not a matter for the Speaker of the House of Commons to settle. The courts are indeed empowered to look into these matters,

and I take it that both provinces at this time have taken measures to make their case in front of the courts.

I am therefore uncomfortable as to whether in your position as Speaker of this House, knowing our traditions and our customs, you should be ruling at this time on a matter of law. I know you cannot.

Therefore I put it simply to the House that although I agree with the member that there could be a good legal case made before the courts for the government breaking or being in breach of its agreements, or of its subagreements for that matter, at this time I must say that the Official Opposition would feel that the matter is a legal one, not one for the House.

Hon. Harvie Andre (Minister of State to Prime Minister and Government House Leader): Mr. Speaker, perhaps I could just very quickly respond to the opening comments of the member for Kamloops by saying that I hope he does not think that because there are four Albertans involved it takes four Albertans to match wits with one British Columbian or one Ontarian. That is not the circumstance.

• (1320)

I indicated that we had no previous warning of this point of order so I am not in a position to reply in detail, except to dig back into my memory and recall, without the specific citation, previous speakers pointing out the fact that if this point of order were to prevail, then by the simple expedient of filing a lawsuit anybody could prevent the House of Commons from dealing with its normal business. That clearly would be an unacceptable situation. For that reason if for no others—and there certainly are other reasons—I would say this is rather a spurious point of order and probably not worthy.

If the Chair should see in the arguments more merit than is obvious to me at this point in time, I would ask that we have an opportunity to respond in detail. I have to say at this time I agree with my friend from Ottawa—Vanier that this point of order is elaborate and articulate but without merit in terms of substance.

Mr. Speaker: The hon. member for Kamloops has raised a very interesting point. It is public knowledge, as has been repeated by the hon. member for Kamloops, that at least one province is challenging in the courts certain provisions which the federal government has enunciated in its budget speech.

The challenge lies on the side of civil law, not criminal law. The *sub judice* convention has never been as rigorously applied in civil matters as in criminal matters. Hon. members will know that as a consequence of matters raised by members to me recently, I have had to deal with the *sub judice* convention with respect to criminal matters, and I think that position is quite clear.

I echo the words of the hon. House leader, that the hon. member for Kamloops put forward a very able argument. I want to consider carefully the reference to a particular ruling which the hon. member cited. I will take that matter under advisement and report back to the House as soon as I can.

However, in the meantime, I do not think it would be appropriate to delay the debate on the budget motion. We are not debating a bill at the moment. I have the hon. member's point. I will give it very careful consideration and will report back to the House as soon as I can.

The Acting Speaker (Mr. Paproski): Orders of the Day.

* * *

BUSINESS OF THE HOUSE

MOTION TO TELEVISE PROCEEDINGS OF COMMITTEE—BILL C-62

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I wonder if I could use this moment to ask my colleague, the Parliamentary Secretary to the Government House Leader, if there has been any progress made on a motion to be brought before the House in terms of televising the proceedings of the finance committee which will start later in the day. It is important that we deal with this expeditiously.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, indeed there has been progress. I thought I would wait until Orders of the Day had been called and just before we got into debate, it was my intention to rise on a point of order.

There have been discussions among the three parties, and I believe Your Honour will find consent for the following motion:

That televised broadcasting be authorized of meetings of the Standing Committee on Finance, specifically during the consideration

of Bill C-62; an act to amend the Excise Tax Act, Criminal Code, Customs Act, Customs Tariff, Excise Act, Income Tax Act, Statistics Act, and Tax Court of Canada Act;

That such broadcasting be on the basis of the principles and practices now governing broadcast of the proceedings of the House of Commons.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 22, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government; and the amendment of Mr. Young (Gloucester) (p. 8636).

Mr. Cooper: Mr. Speaker, I rise on a point of order. My understanding was that the hon. member for Regina—Wascana had the floor at the interruption of debate last time. I am advised that for reasons I assume to do with flight connections he is not able to make it, but he would like to continue his speech later in the day.

I am wondering if the House would give its consent to allow him to continue that speech at a later time during the day, in light of the fact that he cannot be here right now.

Mr. Milliken: Mr. Speaker, we are happy to consent to the hon. member using any unexpired time he may have had at the conclusion of his speech and the usual period for questions and comments at the conclusion of that speech.

I would also like to say while I am on my feet, Sir, that during the continuation of this debate the speakers from this party will be speaking for 10 minutes followed by a 5-minute question and comment period if that is agreeable to the House.

Mr. Riis: Mr. Speaker, certainly we are prepared to give consent to allow the hon. member for Regina—Wascana to complete his remarks, followed by the usual question and comment period.

I too would seek an understanding of the House that, if the various parties wish to divide up the particular slot allotted into a 10 and 5 as opposed to 20 and 10, that would meet its approval.

Mr. Cooper: Mr. Speaker, I wish to thank my colleagues and friends opposite for allowing the hon. member for Regina—Wascana to continue his speech at a later time today.

Second, I wish to indicate that in our usual attitude of co-operation we would be happy to allow the other parties to split their time as they wish.

We on the government side may consider doing the same, although I am not informed of that at this moment.

Mr. Riis: Mr. Speaker, I just want to take advantage of this atmosphere of co-operation and ask my hon. friend, the Parliamentary Secretary to the Government House Leader, whether there is any possibility of the government reconsidering and allowing the finance committee to travel so witnesses from various parts of Canada can be heard.

Mr. Cooper: Mr. Speaker, as the hon. member knows I am a very generous man, but there are limits to my generosity.

Mr. Milliken: Mr. Speaker, one thing has been drawn to my attention. The hon. member for Regina—Wascana, as I understand the situation, may have been addressing the House in this debate immediately before the vote was taken on Thursday evening. If that is so, it may be that his time has expired by reason of the interruption and the vote. Perhaps the parliamentary secretary could confirm that point.

The Acting Speaker (Mr. Paproski): I think we have had enough negotiation on the floor. We can decide that later.

We will proceed to debate. The hon. member for St. Boniface has the floor for 10 minutes, plus 5 minutes for questions.

The Budget

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am honoured and extremely pleased to be able to address the whole question of the budget this afternoon.

As I begin to do so, I would like to quote for the record a communication I have just received from a colleague addressing this very question. It reads as follows:

> This budget is a true Tory budget. The government's real agenda, about which it said nothing in the last election campaign, is now fully visible, and the vast majority of Canadians are clearly unhappy about the directions in which the government is taking our country. In the last campaign the government did not talk about a deficit out of control. It did not promise reductions to unemployment insurance, health care funding, and education funding. It did not promise a clawback of old age security. When the Liberals said these were exactly the things that would happen, the Conservatives called them liars and fear-mongers.

If we were to ask Canadians today who are the liars and who are the fear-mongers, I suspect we would get a very different answer from the one that would have been given some months ago.

The member of Parliament for Winnipeg North, in an address a few days ago with respect to the budget, indicated that a budget reflects a government's priorities and is really a reflection of its very soul.

• (1330)

I was interested in that particular comment because, in a sense, it has profound implications. How I spend my money is actually a very important statement about what it is that I consider my priorities to be. What is it that is most important and what is it that is perhaps of lesser importance?

If you look at the government's budget from that perspective, you will find some very interesting facts that I want to share with this House. Defence spending will in fact increase by 5 per cent. The operations of CSIS, the Canadian Security Intelligence Service, will be increasing by 20 per cent.

I could give some other examples but I believe that those serve to make the point I want to make. It is that there are certain programs of government that will be getting substantial assistance.

Where are the largest cuts being made? To health care and to education. I could mention several others but I am going to concentrate on those two because they happen to be massive.

Let me talk very quickly and briefly about the reductions in transfer payments, particularly those with respect to education. They are even more severe when one looks at them in the total context within which they were taken. Education will suffer from the goods and services tax when it is implemented in 1991.

Hon. members will recall the postal subsidies from which education was exempted. Educational institutions were given these postal subsidies by a former minister of this government for scholarly and research journals. That promise was not honoured. Those dollars will have to be absorbed within current funding. In fact, there will be reductions in funding.

There are reductions in training and retraining. Supposedly that was a high priority of government. There are reductions in expenditures in science and technology. There again we keep hearing the rhetoric about the importance of those particular programs. There are reductions in student aid, which has seen no change since 1984. An administrative fee has been tacked on for those who need funding most.

What is the message being sent to students? The government is saying quite clearly that they have a lot, apart from its other decisions about reducing job opportunities for the summer. It is saying that they have too much. Otherwise, it would not be making those particular reductions.

In looking at education and health, the Association of University Teachers has estimated that there will be 39 billion fewer dollars from 1986 to 1995 in current government projections. With the reductions in 1986, after the government had said that it would not touch the formula, and with the intended reductions in 1989-90, which were not necessary because of the freezes that were imposed during this current budgetary year, there will be 39 billion fewer dollars for Canadians, for the provinces in health and education. There is roughly $9 billion less for education out of those $39 billion. I would suggest that there is well over another $1 billion of additional reductions elsewhere in other cuts.

Let us look at Manitoba alone where there will be 99 million fewer dollars for health and education over the next two years because of this budget. Let me tell you, ladies and gentlemen, you can buy a lot of health and education in Manitoba for $99 million.

Let us look at the message that this government is giving with respect to its reductions in health. What is the message to the elderly and to those who need health care? Obviously, it is saying: "If you do get sick or if you do need health care, it is going to be more costly and risky." Obviously, the supports that were there are no longer there. The system is deteriorating. People are waiting longer for operations and for services that they used to be able to get quickly.

How can the government expect me to say anything positive about this budget when it has attacked two basic programs essential to the well-being of this country, health and education programs? I cannot and will not say anything positive because I think that the government has not only been dishonest with Canadians, it has betrayed Canadians.

Let me come to another point where the government has had some success through exaggerating the statement about no new taxes. If this were not Parliament, I would be calling it a blatant lie because it is. I have to say that it is a false statement.

I would ask you to ask Canadians whether or not they believe they will be paying more taxes as a result of this budget. Ask them whether or not the goods and services tax that will be implemented supposedly in January 1991 is a new tax that will be implemented during the current budgetary year? Ask them whether or not the withdrawals, the reductions in health, in education and in a number of other areas will necessitate the payment of additional taxes to the provinces, to municipalities, and indeed to individual Canadians. I urge you to ask them.

Of course, we have not even talked about the partial indexation of the income tax. My personal indexation will not keep up to inflation, neither will my salary category on which I pay taxes. There will be more taxes, new taxes paid on those measures because the government has not taken the time to change it to accommodate me and many other Canadians who need this kind of assistance.

Another big distortion is when the government suggested that there will be a growth in the transfer payments according to the growth in population. That is not true. The growth will be in tax transfers. It works this way. I quote from a report I received. "The minister is taking credit for increasing transfers which are really part of the existing provincial tax burden while the federal cash share is down. Total cash transfers for post-secondary education are down $54 million". That is the truth of the matter.

[*Translation*]

Mr. Speaker, the Budget reflects the priorities and values of this government. A budget always reflects the priorities of an individual, an organization or a government.

If we look at the increases in certain budgets, we see a 5 per cent increase for Defence and a 20 per cent increase for the Canadian Security Intelligence Service. We see cutbacks in health and education, cutbacks that will affect senior citizens, Canadians who need help and young people who want to work towards a promising future—They say there are no new taxes, which is not true, because the goods and services tax is a new tax. A number of programs enjoy only partial indexation, which is a clear indication that we will pay a lot more taxes—new taxes—on measures that are already in place. Transfer payments to the provinces, to municipalities and to individuals will suffer.

This government claimed there would be no new taxes and that it was entirely fair in allowing certain departments to expand, but it has been extremely unfair in many areas such as health, education, programs for women, aboriginal people, multicultural groups, and so forth.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened intently to my hon. colleague's comments. He joins the masses in opposition to the public outrage against the budget in questioning its legitimacy in a number of areas. The one area I noticed my hon. friend did not mention, because of its very critical importance in terms of the context in which the government places it, is the goods and services tax, a measure which we all clearly oppose.

I just want to clarify one point with my hon. friend. What is the Liberal party's position on the goods and services tax? Is it opposed to the goods and services tax in principle, or just opposed to it for the moment with the hope that maybe later it will have a chance to reap its benefits?

Mr. Duhamel: Mr. Speaker, I am delighted to be able to respond to the question. I spoke very quickly when I made my remarks. I assume that is the reason why my hon. colleague did not hear my reference to the goods and services tax. I did indicate how it would penalize students and a number of other sectors.

If the hon. member will recall, in the very recent past I have spoken against the goods and services tax. I have pointed out a number of areas in the health care sector where it will have a very negative effect, such as with respect to psychology services, therapeutic services and so on.

The hon. member is, of course, trying to have some fun with me and my colleagues in this party. He knows clearly that we were among the first and the strongest and the most vociferous against this tax. It is completely unfair for him to suggest that we are perhaps dancing around, that this is perhaps a disagreement in principle. We have said no. I continue to say no, and I shall continue to say no.

• (1340)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I do not question my hon. friend's sincerity. I think he probably does believe that this tax is a nasty tax.

I have been listening with care to some of the leadership candidates for his party, Mr. Martin and Mr. Chrétien to be specific, who both have said: "Well, Mr. Speaker, we are not certain. Quite frankly, something has to be done with the tax system and we will look at it some time in the future." I do not want to suggest to my hon. friend that I am being cute with him, because I believe sincerely that he is opposed to this measure.

What I want him to say is that not only is he opposed, not only has he spoken against the goods and services tax, but in fact the Liberal Party of Canada is in opposition in principle and would never as a government some time in the distant future impose a goods and services tax or a national sales tax on the people of Canada. Is he prepared to say that, to set aside his own personal views and represent the party that he does represent?

Mr. Duhamel: Mr. Speaker, I cannot speak for the leadership candidates. The hon. member would not want me to do that.

On the other hand, if I were a leadership candidate I would be saying exactly what I have been telling you. I would not be changing that for one moment. I cannot speak for the party. I can tell you what the party is saying right now.

The hon. member heard, perhaps, this party's critic this morning on *Canada AM* who will be debating that with the Minister of Finance tonight in Edmonton. He said it was a poor tax. We are against this tax. We have to look at taxation in a progressive kind of way, and we cannot look at it in isolation. I have not heard any of my colleagues, and if you know of any I wish you would tell me, who have said that they are for this tax.

There may be some who are less passionate, less intense about the negative effects. I suspect that is true about any question, but I have heard nothing but complete accord from my colleagues with whom I associate here on this side of the House on that question. We are against this tax.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, where does one begin to debate a budget tabled by the finance minister? The budget contains many measures which will have a devastating impact on students, seniors, native peoples, low and middle income families, war veterans and small business. The list goes on and on.

The finance minister claims there are no tax increases in his budget. He has simply passed on an $8 billion problem to the provinces. Furthermore, the goods and services tax threatens to become the largest tax grab in Canadian history.

The finance minister claims that deficit reduction is not at the expense of social programs. Yet support for medicare, welfare and day care has been slashed. Support for social and co–op housing will be cut by $165 million over a five year period, compounding the problems of the 200,000 homeless in Canada and the many more who must commit over half their income to rent.

Speaking of the deficit, in 1984 the Minister of Finance announced a five year program of deficit reduction designed to cut the deficit in half by the end of the decade. Despite record economic growth, the minister has failed miserably to reach this target. In fact, he has only trimmed $4 billion from the $34 billion deficit that

existed in 1985–86, the first full year of Tory administration.

This government is not only bent on destroying the economy of the country, it is also bent on destroying aboriginal organizations which have become, in the government's opinion, too critical of the current administration. Funding cuts to the Secretary of State's budget have been focused primarily on aboriginal organizations. Never has a budget had a more devastating impact on one group. The government has chosen to attack aboriginal organizations because it cannot stand to hear how dismal its record has been in this area.

One has to wonder why one department with a total budget of $3.5 billion has chosen to attack the aboriginal peoples of Canada. The Secretary of State has to cut $23 million from his budget. In reality, when you subtract last December's increase to the department of $13 million the Secretary of State only needs to cut $10 million. Native aboriginal communication societies are hit hardest. Cutbacks to these organizations represent 65 per cent of the Secretary of State's budget cuts. Is this fair? Of course it is not. The government has chosen to eliminate the one program which has served to inform aboriginal Canadians of this government's inadequate handling of aboriginal issues. This government has in effect silenced the aboriginal people.

In my riding, Wawatay Native Communications Society operates a bilingual newspaper, community radio and television stations and a high-frequency trail radio program for trappers. It currently has a staff of 45 people to cover all of the aboriginal communities in northern Ontario, many of which are remote and isolated.

As a result of the elimination of the native communications program and a cut-back in the northern native broadcast access program, Wawatay will lose 33 per cent of its funding from the Secretary of State. Twenty jobs will be lost and Wawatay's award-winning newspaper will most likely become a unilingual English publication. The high-frequency trail radio program will most likely be eliminated.

Native newspapers in this country have contributed to a large degree to the preservation of aboriginal languages. Bilingual newspapers such as *Wawatay News* have protected aboriginal languages from extinction. Native newspaper publications have also contributed to the preservation of a very unique and distinct culture by publishing a record of aboriginal traditions and customs. Such a record will ensure that these traditions and customs are not lost.

Aboriginal communications societies have made a significant contribution to literacy. Many more aboriginal Canadians are literate today, thanks to native newspapers. This government has bragged about Canada's participation in this year's International Year of Literacy. In my view this government should be ashamed of its contribution.

This Tory government is attempting to destroy aboriginal peoples. This Tory government believes the aboriginal peoples are a thorn in its side. It believes that aboriginal peoples will just go away if funding is cut off.

Canada's aboriginal peoples are living in Third World conditions. Government members often say that I am exaggerating. I have seen these conditions in which some of our aboriginal people live. I challenge members to visit a native community and see the poverty, despair, drug and alcohol abuse, high unemployment, high rates of suicide and violence. Once they have seen these Third World conditions right here in Canada maybe members will understand why it infuriates aboriginal organizations when their funding is cut or eliminated. Funding for aboriginal organizations is crucial to improving these conditions.

The cut-backs in the provinces' transfer payments used for post-secondary education and health care is a direct attack on social programs in this country. Capping increases in Canada Assistance Plan transfers to Ontario, British Columbia and Alberta is an attack on low income Canadians in these provinces. The Minister of Finance has left the provinces with virtually few options —increase taxes or cut services. Students will be forced to pay higher costs toward education. Seniors who are the main recipients of health care in this country will feel the pinch in reduced services. Low-income Canadians will see their already inadequate quality of life eroded even further.

To say the least, one way or another, Canadians will once again be faced with increased taxes as a result of this budget. Whether it be the goods and services tax, the taxation measures from the 1989 budget which came into

effect this year or provincial and municipal taxes, Canadians will be paying higher taxes.

There are a number of budget measures which directly impact on northern Ontario. The regions of this country are being asked once more to pay for this government's incompetence in managing economic affairs. Small business and junior mining companies will feel the crunch. I can assure this House that that will mean several hundred job losses in my riding. There is no question whatsoever that this government has abandoned its regional development policy.

• (1350)

The cancellation of the Canadian Exploration Incentive Program is a harsh blow to the junior mining industry in this country. Northern Ontario and northern Quebec will lose jobs as a result. While it is still too soon to tell how effective this program was, the government has breached its promise to protect the junior mining industry. Instead, it has contributed to its demise.

The government should have introduced measures which would have made flow-through share investment more attractive. Prior to this government coming to power we had a flow-through share program which encouraged investment in the junior mining industry. Between 1983 and 1988, 35 mines opened in Canada, 16 of which are located in northern Ontario, thanks to flow-through share investment.

When the government introduced changes to the Income Tax Act in 1987 investor confidence declined. To add insult to injury, the government cancelled the mineral exploration depletion allowance. The Canadian Exploration Incentive Program was designed to reignite investor confidence. It was designed to protect the junior mining industry.

The Minister of Energy, Mines and Resources stated in a press release on February 21 that the federal government is not abolishing the concept of flow-through shares for exploration. He said that junior exploration companies will still have the option to obtain equity financing for exploration using flow-through shares. How does the Minister of Energy, Mines and Resources expect junior exploration companies to attract investment when the flow-through share program is inadequate?

Analysis of flow-through share financed exploration has indicates that, on average, every million dollars spent on mineral exploration creates some 21 person years of direct employment. Between 1983 and 1988 this suggests that the $3 billion worth of exploration financed with flow-through shares has generated an estimated 63,000 person years of direct exploration employment in Canada. This alone is proof that the flow-through share program as it existed under the previous Liberal administration was more effective than this government's policies.

Flow-through share funding creates jobs. Given this government's many promises to create jobs, you would think it would be interested in improving this program. Flow-through share funding has led to economic activity in northern Ontario which would have otherwise laid dormant. Flow-through share funding has contributed to regional economic development.

This government has consistently abandoned and destroyed regional economic development since it came to power. It has provided northern Ontario with lip service only. This Tory government will announce some program one year and in the next it either destroys it completely or erodes it to the point where the program is rendered useless.

Regional economic development has become a thing of the past under this government. In his budget speech the finance minister announced that he will eliminate grants to business with limited exceptions. What do these exceptions really mean? Will the government's exceptions be based on financial limits, or based on types of grants?

FEDNOR's future remains uncertain to this day, since we have yet to see the spending estimates for the Department of Industry, Science and Technology. FEDNOR, while not perfect, has served to attract a more diversified economy to northern Ontario. It has served to help small business expand and grow.

I know that my time has expired. I thank you very much, Mr. Speaker. I expect the people of northern Ontario to hear more on this budget as time goes on.

[*Translation*]

Mr. Saint-Julien: Mr. Speaker, I would like to ask my colleague a question. When we talk about flow-through shares in Canada and in each province, we could also mention that the crash of October 1987 caused consumers in Canada to lose confidence in the mining industry. I am one of those who defend prospectors in Quebec who are trying to find a new program. Every time we find a new program, we have difficulty implementing it. In my

riding now, there is a federal office in Val d'Or that will close. This was ordered by the Minister of Finance.

I would like to ask you the following question: Does Ontario now have programs to help mining exploration as now exist in Quebec? According to the 1867 Constitution, mineral resource development is a provincial matter under section 109.

Do you agree that the province of Ontario should do more to help this sector? Because, as you can see, Mr. Speaker, people no longer trust the federal government to help with mining exploration. Even we on this side of the House have to fight every time, every week, to come up with a new program.

Can you tell me whether the province of Ontario has mechanisms in place to help mining exploration in Ontario?

[*English*]

Mr. Nault: Mr. Speaker, I thank my colleague for the question. The member for Abitibi has a riding very similar to my riding in northern Ontario. These are ridings that have a lot of economic development initiative and which want to get involved in mainstream economics in Canada. Unfortunately there are some difficulties. One is that Ontario governments, Quebec governments and the federal government are not listening to the regions as it relates to mining.

To answer the member's question simply, I do not think that the province of Ontario, the province of Quebec and, in this case, the federal government have put in place the types of programs that will help the mining industry in Canada to flourish and grow.

What I talked about in my remarks to the House and to the people of northern Ontario is this. If we want regions like northern Ontario and northern Quebec to grow we have to put those types of programs in place.

I have asked my colleagues in Ontario to do something similar to what I have asked the federal government to do, that is to put some initiatives in place like the flow-through share mechanism to allow the junior mining companies to get involved in the industry to the extent of creating employment and getting these mines open. I tell the member opposite that there are 10 mines that are ready to go in northern Ontario but no dollars to put in place to get them going. We have the ability but we do not have the funding. I ask the federal government, as I have asked the Ontario government, to do that for us.

Mr. René Soetens (Ontario): Mr. Speaker, I rise to participate, appreciating that the other member from Ontario made comments about the fact that the Ontario government has not put in place the mechanisms to allow for the economic development of the mining area in that part of Canada. I recognize he complains that the federal government has not done so either. Yet during the whole process leading up to the current legislation on the goods and services tax, many mining industry executives appeared before the finance committee indicating the positive steps that it would have for exploration development of mines, particularly in Ontario but also in western Canada. So I am a little surprised that the member would comment on that.

I would ask the member to tell us just where and how much money he would like to have the federal government kick into this program. It is certainly very consistent and very common in Ontario that the provincial government of Ontario insists on hiring lots of bureaucrats but does not put any money into programs. Here at the federal level we have a deficit problem. We have to deal with some of the problems that are a legacy of the previous Liberal administration.

I would ask the hon. member just how much money he would like from the federal government. Does he have any suggestions as to how much further he would like us to cut back the provincial transfers to make it possible for this to happen?

The Acting Speaker (Mr. Paproski): It being two o'clock the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

YOUTH SUMMER EMPLOYMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Conservative government's nonchalant attitude to Canadian youth is deplorable and unhealthy. Although the 15,000 young people in Ottawa—Vanier, my riding, could count on $528,000 in 1987 when the Challenge summer employment program began, they will have to share 4 per cent of that amount, or $23,200,

this year. This is even more laughable because it may cost more to administer the program in 1990.

In past years, Mr. Speaker, the jobs created by Challenge and Young Canada Works helped thousands of young people in Ottawa—Vanier pay for their education. Since the devil finds work for idle hands to do, it would be in the Conservative government's interest to invest this money to keep our young people busy and to educate them, which would help it avoid spending millions of dollars on problems of drugs, alcohol, theft and so on caused by inactivity. Mr. Speaker, it is indeed deplorable that the government is cutting its programs for youth.

* * *

• (1400)

[*English*]

SUMMER EMPLOYMENT EXPERIENCE DEVELOPMENT PROGRAM

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the announced cuts in the Summer Employment Experience Development Program are going to create tough time for students who want to pursue their education.

The SEED program provides wage subsidies to encourage employers from all sectors to create jobs for high school, college and university students.

Last year in the Ottawa—Carleton area alone, $1.3 million were allocated to the program. This year that amount is being cut by 85 per cent.

Last year 79 jobs were created in Carleton—Gloucester alone. With these cuts, only 91 jobs will be available for students through this program across the whole Ottawa—Carleton region.

In times when fees are going up drastically and the goods and services tax will increase the price of books and resource material, how will students be able to afford an education? The government is denying them employment opportunities and a chance to contribute toward Canada's economic growth.

The government is letting the students down by refusing to invest in our youth and the future of this country.

* * *

HEALTH

Hon. David MacDonald (Rosedale): Mr. Speaker, in May 1989, the Ad Hoc Committee on AIDS was established. It includes members of the House from all three parties and of the Senate.

The Ad Hoc Committee on AIDS is a voluntary group of concerned people who have come together in a non-partisan way to address one of the most serious pandemics facing our world today. This is a voluntary association of committed parliamentarians, but we would obviously welcome the establishment of a special joint committee of both the House and the Senate.

This week we will begin holding a series of public meetings which will result in recommendations to the government. On Wednesday, March 7, Dr. Earl Berger and Mr. Ian Sadinsky, authors of the *Working Document for the Development of a National Strategy on HIV Infection and AIDS* will appear before our committee. This meeting will be followed by the appearance of the Canadian AIDS Society on March 14.

AIDS represents a serious crisis in Canada. Much has been done to address the many issues surrounding it but much more work still remains to be done.

* * *

HEALTH CARE

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, in 1963 Linda Macdonald, a young mother of five children, sought medical treatment at the Allan Memorial Institute in Montreal from Dr. Ewen Cameron. Instead, without her consent, she was subjected to a series of barbaric medical experiments, including 109 electric shock treatments, being kept in a drug-induced coma, and subjected to a psychic driving tape placed under her pillow.

These projects were funded by the Government of Canada then, as they had been during the 1950s. Linda Macdonald lost the first 26 years of her life. Her lawyer, Tom Berger, has filed an action on her behalf in the

Federal Court. I urge the new Minister of Justice to re-examine the decision of her predecessor to deny compensation to Ms. Macdonald and to settle this claim fairly without further legal proceedings.

Despite the white-washed conclusions of the Cooper report and its appalling medical underpinning, Canada has a legal, moral and ethical obligation to Linda Macdonald and indeed to all other victims of these cruel government-funded experiments. Justice must be done.

* * *

[*Translation*]

NORTHERN COMMUNITIES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on February 27 I received an urgent message from the Mayor of Umiujaq, Noah Inukpuk, who told me: "The people of the community of Umiujaq, including myself, are suffering terrible hardship as a result of the high cost of living. The pressure on us is incredible. We, the people of Umiujaq, earnestly request that you give voice to our feelings of alarm.

Here are a few examples: a bag of apples that was sold for $2.86 now costs $4.44; bread has gone up from $1.70 to $3.88; a can of evaporated milk, from $1.60 to $2.60; a five-pound bag of flour from $6.13 to $8.36; and pork chops from $10 to $13, and they aren't even fresh".

Mr. Speaker, for several months I have been trying to make the Government of Canada realize that its domestic policy of cutting back on financial assistance is unfair as it affects local air services, as I said in the House on October 23 and 25, 1989.

* * *

[*English*]

THE BUDGET

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, prior to the recent budget, Canadians indicated they wanted the debt dealt with by cutting government spending, not by tax increases.

The Minister of Finance met the challenge. He responded by cutting and restraining spending in a number of areas, by imposing no new taxes—the first such budget in 22 years. He managed to exempt major transfer payments to individuals, such as elderly benefits, family allowances, UI and veterans pensions.

Grappling with the legacy of past government overspending is not easy. Those who preceded us never took the unpopular decisions. Their answer was always to borrow some more, to continue to mortgage the future.

I congratulate the Minister of Finance and the Prime Minister for taking some difficult decisions, for displaying the determination and leadership necessary to face up to the debt problem and to build the kind of financially stable Canada we want for ourselves and for future generations.

* * *

WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, this ad, run in one newspaper today in Canada, cost this government $11,000 for one day. Women's centres are receiving less core funding from this government in an entire year than it is spending on GST advertising. This government's commitment to women is not worth the paper this ad is printed on.

The government is spending $14 million to advertise the GST. Last year the total budget of the Secretary of State's women's programs for one year was $11 million. After this budget, it will be closer to $9 million. The Tories are spending $14 million on propaganda for a tax that no one wants, a tax that has not passed Parliament. They have cut funding to women's centres right across the country that provide support and information to the women of their communities, to battered and sexually assaulted women, to jobless women and to homeless women.

Instead of attempting to silence the voices of women, instead of cutting women's funding by 100 per cent, the GST advertising should be slashed and the Tory government should also be cut by 100 per cent.

* * *

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the Liberal party continues to stand solidly with Canadians in opposing this government's 7 per cent goods and services tax.

To date, with our help more than 600,000 Canadians have petitioned this government to stop the GST. Now, the Liberals are giving Canadians from coast to coast a chance to say no to the GST.

Starting Monday, March 12 through to Friday, March 16 Canadians can vote against the GST by dialling 1-900-720-6052, 24 hours a day. That is right. Starting Monday, March 12 through Friday, March 16 for a mere 50-cent toll charge, Canadians can tell this government no to the GST by dialling 1-900-720-6052.

The Liberals once again take the lead in giving all Canadians an opportunity to tell this government that they reject the biggest, most obscene tax grab in Canadian history, the goods and services tax, by calling 1-900-720-6052. Let us give this government the message, "axe the tax".

* * *

GOODS AND SERVICES TAX

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the replacement of the structurally flawed and antiquated federal sales tax is being welcomed with open arms by manufacturers all across Canada. In light of the superficial criticism by others, our Canadian manufacturers see it as the righting of a historic wrong. After all, they have been discriminated against under the existing system for some 65 years.

The implementation of the GST will remove the built-in competitive bias of the existing system, increase capital investment and enhance our ability to compete internationally, according to Mr. Jordan Sullivan, President of Strong Equipment of Woodbridge, Ontario.

Armchair opponents of the goods and services tax should revisit their cursory arguments. Certainly an important initiative such as the GST which will provide an instant 1 per cent to 3 per cent price savings for our manufacturing sector should not be a target for shallow criticism.

* * *

• (1410)

THE BUDGET

Mr. Ken Hughes (Macleod): Mr. Speaker, this government is taking important steps to control spending, manage the economy and to invest in the very future of this country. This affects all Canadians.

But let us be realistic. How much control of our affairs will we have if we do not deal with our national mortgage? How much control do we have over our destiny if we owe our souls to foreigners? This government is fighting hard to control spending and regain the very sovereignty lost under the years of fiscal indifference and mismanagement of one Pierre Elliott Trudeau and the Liberal Party of Canada.

If Canada loses its sovereignty and its ability to control its own house, the blame will clearly rest with the seeds and growth of fiscal mismanagement of the Trudeau era.

* * *

GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Tory government is jealous of the popularity of the Liberal Party. It has come up with a new way of recruiting members. Indeed, large numbers of Canadians have taken over riding association executives of Alberta Tory members. They have obviously not done so in order to join the Conservative party, but, indeed, to defeat the government goods and services tax.

By going totally beyond responsible limits of taxation and complexity, and by showing its disregard for the desire of over two-third of the electorate, the government has forced otherwise calm, law-abiding citizens to stand up and say, enough is enough. They have told the government in no uncertain terms, no to the GST.

In addition to phoning the number 1-900-720-6052 in order to oppose the GST, citizens across this country are ready to do almost anything to oppose the GST, including buying membership cards—heaven forbid—in the Conservative party.

* * *

THE BUDGET

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, this government was elected six years ago with one vital objective, to get control of our nation's expenses. This objective had and has priority over all others because it must. Any other objective cannot be considered, advanced or planned without first having the dollars to do it.

The environment needs cleaning up. We all agree with that. But it takes more than political will, it takes money. Our poor and unemployed need the tools and education to make themselves self-sufficient and productive. But that requires more than sympathetic rhetoric, it takes dollars.

Our health care system, one of the best in the world, cannot be sustained without an ever-increasing amount of money. We do not have any money. We are in debt up to our eyeballs. But with this budget, we are finally able to stand on our tiptoes, peer over that mountain of debt and see the future, prosperous and self reliant.

* * *

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, Canadians are aware that the 7 per cent goods and services tax will dramatically affect their lives for generations to come, which is why 80 per cent of Canadians oppose the government's decision to impose this cruel and punitive tax on the people of Canada.

Unlike the Liberals, while the New Democrats really do oppose the GST, they also, as a party, offer specific alternatives to the goods and services tax. We did detail explicitly what the government should do rather than impose the 7 per cent tax. This is why I am so disappointed that the Edmonton Chamber of Commerce, sponsoring tonight's GST debate was not prepared to allow the NDP finance critic to participate.

Is it that the Edmonton Chamber of Commerce are not interested in hearing the New Democrat alternatives to the goods and services tax, or is it their fear that the NDP, who have led the fight against the GST across Canada, would point out flaws not only in the government's tax policy, but also reveal that the Liberals really do not oppose the principle of the goods and services tax, as pointed out so explicitly by their leadership candidates, Martin and Chrétien.

S. O. 31

ALBERTA

Mr. René Soetens (Ontario): Mr. Speaker, I returned to Ottawa today having read an article in *The Globe and Mail* on the weekend about how Alberta is paying too much for Confederation.

I decided to talk about this article with a member of the government on my return to Ottawa. The first cabinet minister's office I saw belonged to the right hon. member for Yellowhead. Not feeling it appropriate to discuss this with an Albertan, I looked around and noticed that not only is the Secretary of State for External Affairs an Albertan, so, too, is the Deputy Prime Minister, Minister of Agriculture and President of the Privy Council, the member for Vegreville.

Now the member for Calgary Centre, an Albertan, is government House leader. Thinking I better tread lightly, I thought I would speak to the government whip, but lo and behold, he is an Albertan, the member for Calgary West.

With the approval of the member for Edmonton—Strathcona, who sits behind me, and the member for Calgary Southeast who normally sits in front of me, I thought I would point this out to you, Mr. Speaker. On the way to the House I wondered what I would do if the Acting Speaker, the member for Edmonton North, was in the chair. With all of these eminently qualified members in this place, no wonder Alberta does not need the assistance provided to those less fortunate provinces.

* * *

[*Translation*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Phillip Edmonston, for the electoral district of Chambly.

* * *

NEW MEMBER INTRODUCED

Phillip Edmonston, member for the electoral district of Chambly, introduced by Ms. McLaughlin and Mr. Nystrom.

ORAL QUESTION PERIOD

[*English*]

STATUS OF WOMEN

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the minister responsible for the status of women. There appears to be a great deal of confusion between the Secretary of State and the Minister of Finance on the exact impact of the cuts in the recent budget on the existence of some 80 women's centres across Canada.

The minister has stated that she was not sure whether her cabinet colleagues, "were aware of just what kind of services were provided by these centres". The minister knows that these cuts will have a devastating impact on women seeking shelter from family violence, on women seeking education to overcome unemployment, and on women seeking help to overcome illiteracy. Will the minister confirm today that she has persuaded the Secretary of State and the Minister of Finance to restore full funding for these women's centres, or will she admit that she has already failed to stand up for the women of Canada?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I think the brightest future for the women of this country is to ensure that we have a healthy and growing economy and jobs so that women can work towards self-sufficiency and independence. That is exactly what the Minister of Finance has brought down in his budget, and it is a budget which will ensure the future economic help and opportunities for the women of this country.

• (1420)

Let me say as well that the record of this government in supporting women in their aspirations is second to none. The $40 million program to assist women in dealing with family violence goes a long way in addressing an issue which had not been addressed in previous periods of times. There is, as well, the appointments of women, and the work that is done in terms of employment equity.

Everything that this government is doing, and everything that I will be doing in working with my colleagues, will be to promote equality for women; to work with my colleagues at the provincial and community levels to ensure that services for women and their issues are addressed in an appropriate manner.

ESTABLISHED PROGRAMS FINANCING

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister has just admitted that she does not consider the women of Canada to be part of our national treasure.

Mr. Epp: She said no such thing.

[*Translation*]

Mr. Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Finance.

In his Budget, the minister decided for the first time to restrict payments made to the provinces under the Canada Assistance Plan, without consulting with the provinces and without giving them prior notice as required by law.

The minister knows that children of poor families will suffer the consequences. He ought to know that 48 per cent of poor children in Canada live in the provinces he has targeted.

My question is just this: How can the minister justify his attempts to reduce the deficit if it means the poorest children of our country will suffer.

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Leader of the Opposition is entirely wrong.

The provinces are part of the problem. They have to be part of the solution. I can tell the hon. member that the provinces are not going to suffer. Consider the province of Ontario, for example, which has been spending money at 10.2 per cent per year over the last five years, increasing government bureaucrats by 7,014 people while the federal government has been trimming its deficit and trying to get the debt under control.

The hon. member says that the provinces cannot afford it. That is nonsense. They can. It is only about 1 per cent of their budget. Of course they can help with the deficit fight.

In the long run it is going to help them because it is going to get interest rates down, and that is what they are asking for.

* * *

NATIVE PEOPLES

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister claims that the provinces are part of the problem. Canadians already realize that the real problem consists of himself and his government.

The government wants to cut all funding for newspapers like the *Mic Mac News*, the paper that played a major role in exposing the terrible miscarriage of justice in the Donald Marshall case.

How many more cases like Donald Marshall will go unnoticed and unexamined because of this government's cuts to native newspapers and broadcasting? Will the Prime Minister agree today to restore funding for native Canadian media and associations, and stop denying native Canadians an important vehicle for justice and full participation in Canadian society? What is the answer today?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, this government's record of support for our aboriginal peoples is second to none in the world.

Hon. members will notice in the budget that there were substantial increases in funding for native social, educational and community development projects, in total amounting to an increase of over 8.1 per cent. In so doing the core funding for native advocacy groups funded by the Department of Indian Affairs and Northern Development is increased and not reduced in 1990.

* * *

PUBLIC WORKS

Ms. Mary Clancy (Halifax): Mr. Speaker, ten days ago in Halifax this government announced the opening of a $1.6 million office for visiting cabinet ministers. The office is in a plush office tower in the highest rent district. Does the Prime Minister find it surprising that the cost of this office is exactly the amount of the cuts to the women's program in the Department of the Secretary of State? Will he undertake today to cancel this office and restore funding to women's programs.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the announcement of regional ministers' offices was made about four years ago. It is to eliminate the proliferation of offices that were held in all the minister's constituencies under the previous administration. We now have regional offices in Vancouver, Alberta, Saskatchewan, Ontario, Montreal and in Halifax. This has greatly reduced the cost that was incurred in other places.

Ms. Mary Clancy (Halifax): It may have escaped the minister's notice but Halifax is not a minister's constituency. I will lend my office to any visiting minister.

My supplementary question is directed to the minister responsible for the status of women. Eighty women's centres nation-wide need to hear from her. Will she make a commitment that women's programs are more important than superfluous cabinet offices and will she at least attempt to convince her colleagues to restore the women's funding?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I believe I have already answered that question. When you look at the record of this government in promoting equality and opportunities for women, we see the record of employment equity, assistance to battered women and assistance to immigrant women.

Those are the issues that we need to address. Women's centres have been providing services and in some cases they have been receiving project funding. My colleague has indicated that he still continues to have funding for over 550 projects. We will be working with him to address the needs across the country and with provincial, municipal and local activities to develop new partnerships in terms of addressing issues of concern to women and the services that are there. It is not only the federal government acting alone, all of society must work together to address those issues.

* * *

STATUS OF WOMEN

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Prime Minister. As he knows, women's centres across the country are being closed. Women's publications have been shut down, women's research organizations have been cut back and there is an attempt on the part of this government to silence the voice of women across Canada, whether it is in White-

horse, Yukon, Hay River, Northwest Territories, from B.C. to the east coast.

On top of this, last week when the Minister for International Trade insulted the women of Canada, this was supported by the minister responsible for the status of women in saying that his comments were marvellous.

I want to ask the Prime Minister, who in the election of 1984 and the election of 1988 assured the women of Canada that he stood for equality, for social programs as a sacred trust, and that he would see equality in this country, will he keep that faith today? Will he keep his promise and reinstate funding to women's programs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am happy to respond to my hon. friend because I think one of the points that the New Democratic Party has consistently made is that equality comes through economic equality as well. Since this government was elected 1.6 million new jobs have been created and 61 per cent of them have gone to women.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We introduced employment equity legislation in 1986. We increased by 100 per cent the number of women in decision-making positions in commissions and agencies of the federal government. We introduced a family violence initiative of $40 million in June of 1988. We improved job training for women as part of the Canadian Jobs Strategy. We introduced a $25 million program for immigrant women, improved child tax credits for low-income families, a plan for equal pay for work of equal value in the federal Public Service and improved pension benefits for women. That is a partial list of the accomplishments of a government deeply committed to the notion of equality and fairness for women.

• (1430)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the minister responsible for the status of women.

Since this government came into power we have 1.5 million children in Canada living in poverty; 60 per cent of female-headed households living in poverty and 1 million children waiting for child care.

The mandate for the minister's department describes the minister's role as one which is "to promote equal opportunities for women in all spheres of Canadian life".

Given that women still only earn 66 per cent of what men earn, given that violence against women is increasing in our society, and given that poverty is more and more a women's problem in our society, it is clear that women are still far from being equal. I ask the minister responsible for the status of women as she sees these cuts being made, how is she going to carry out her mandate?

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as the lead question came to me from the Leader of the NDP, I assume there is no objection to my responding.

The question suggested there was an increase in the incidence of poverty in Canada for women and families. In point of fact, the exact opposite has happened since this government has come to office.

There has been a decrease of 757,000 Canadians living in poverty since this government came to office. Included in that number are 229,000 women and 259,000 children. In one year, from 1987 to 1988, the total number decreased by 80,000 people.

On the job creation side, 61 per cent of new jobs have gone to women. With regard to reduction of poverty, 757,000 people have been taken off the poverty line and have been made productive members of society. With regard to the participation of women, starting with the Supreme Court of Canada where there was one woman when we formed the government now there are three. Two women were ambassadors when we formed a government, now there are 13. There were three women deputy ministers, now there are 21.

In every area of national life the situation of women has been vastly improved since this government came to office.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the Prime Minister.

On December 6, all of Canada was in mourning. Fourteen young women had been massacred in Montreal. However, since that very tragic day, the government has closed women's shelters, cut funds for research and cancelled publications.

Now a minister makes remarks insulting Canadian women and another minister applauds him!

Will the Prime Minister finally prove to women that he understands them, that he listens to them and demand that those two ministers resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I attended the funeral following that absolutely horrible and tragic event. I personally communicated with all the families concerned. Since then, I have been in touch with some of the parents affected by this enormous tragedy.

I take it for granted that the Leader of the New Democratic Party makes no connection whatsoever between this great tragedy and the administrative action taken by any government. If she did, that would be cause for concern on the part of all members of this House.

The fact is that the government which I have the honour to lead has more than doubled the number of women in decision-making positions in the federal Public Service. We appointed two more women to the Supreme Court of Canada, for the first time in history. When we took power, there were, I think, two women ambassadors; now there are 13. There were three women deputy ministers; now there are 21.

All our actions, Mr. Speaker, have been directed to the goal of more social justice for women in Canada.

Before I was sworn in as Prime Minister of Canada, there were only two women in the federal Cabinet. We now have six. Since last week, the Minister of Justice and Attorney General of Canada is a woman, for the first time in our history.

The record shows that we care about women, and we will do more to improve the status of women in Canada.

[*English*]

THE BUDGET

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Prime Minister. In June, 1989, the Prime Minister said, and I quote excerpts from his address: "We are going to focus more and more on a competitive society. We will concentrate on long-term investment in people, skills training, education, strategic technologies, research and development."

Can the Prime Minister tell us how his budget reductions in transfer payments, in training and retraining funds, in science and technology expenditures, in research and development activities and in student aid will contribute to productivity in this country, to use his own words: "to the creation of a competitive society"? Can he reconcile those cuts with the creation of a more just and humane society?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, every single thing that my hon. friend has just said is wrong. In point of fact in all of those areas there have been increases. In all of those areas there have not been cuts. There have been reductions in some areas of the rate of growth.

For the last five years, transfer payments by the Government of Canada to the provinces have exceeded 6.5 per cent while we were maintaining our rate of growth in program spending at 3.5 per cent. While we were trying to reduce the national deficit and cutting 12,000 public servants from the payroll in Ottawa, the Government of Ontario was putting 7,000 more on its payroll and increasing its spending at a rate of 10.1 per cent a year.

That is why we have an inflationary problem in Canada and the member should be addressing his question to the Premier of Ontario and not to the Prime Minister of Canada.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, it is rather interesting. If we look at the transfer we find that there is a transfer of funds and tax points. In fact there are fewer dollars.

Some Hon. Members: No!

Mr. Duhamel: There are.

[*Translation*]

Is the Prime Minister willing to meet Education Ministers and other groups such as the Association of Universities and Colleges of Canada, the Canadian Association of University Teachers, the Canadian Teachers' Federation and the Canadian School Trustees' Association, to see what negative impact these cutbacks in funding for education will have in Canada? Will the Prime Minister make a commitment today to meet these groups?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member had his facts wrong in English and he has them wrong in French. The problem was the same and the solution is the same, in both languages. We are in the process of providing for a new era of increasing prosperity for Canada. We can do more for universities, research centres and institutions across Canada. We have increased our contributions to the provinces by 6.5 per cent annually, while keeping our own increases at 3.5 per cent. I think the provinces must do their share to help the national government and deal with what is basically a national problem. It is not a federal deficit, it is a national one, and all Canadians and all governments have a role to play in this respect.

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Prime Minister. On February 15 the Prime Minister said: "It is time—to remind ourselves what it is like to be a minority and to treat minorities with the same tolerance and generosity of spirit that we would want to be treated with, if the situations were reversed."

Does the Prime Minister believe his Minister of Finance upheld this noble sentiment when he eliminated the funding five days later for aboriginal newspapers, severely cut back aboriginal radio and television programming, and terminated and slashed aboriginal political organizations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to the native population, next year the Department of Indian Affairs and Northern Development will have a budget of over $3.5 billion, which is an increase of $200 million in one year alone. There has been no cut-back to Indians and natives in this country. There will be an increase of $200 million next year and we propose to do even more in the future.

• (1440)

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is also for the Prime Minister. I fail to see how the increases he referred to affect the slashing of the program funding for the native newspapers and the Inuit Broadcasting Corporation which has been cut by a total of about $600,000 out of a $2 million budget.

In the same week as the budget cutbacks were announced the new $100 gold coin was unveiled which features Inuit people and the Inuit language, Inuktitut. Will the Prime Minister give real meaning to his expressed desire to protect linguistic minorities by ordering the reinstatement of the funding which has been cut from aboriginal programming so that the new gold coin will not become famous for its depiction of an endangered species?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Prime Minister has said to my hon. colleague from the eastern Arctic, the program of funding by the Government of Canada to Indian, Inuit and all aboriginal peoples exceeds $4 billion and will have increased in 1990 by over 8 per cent on average.

The programs for the move toward Indian and Inuit self-government, the settlement of comprehensive claims, the programs in support of social, health and education initiatives for our native people have all been increased because this government, I and my predecessors, put a very great emphasis on the importance of properly and justly dealing with the needs of our native peoples.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of the Hon. John Efford, Minister of Social Services of the Province of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

NATIVE PROGRAMS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, on April 12, 1985, a leaked cabinet document known as the Buffalo Jump advocated the virtual elimination of many native programs and the virtual assimilation of native people in Canada.

The Prime Minister responded to that document with a letter denying it was government policy, promising to retain native fundings at current levels and saying that prior to policy changes consultation would be held with aboriginal people at the grass roots level.

My question is for the Secretary of State. Is he now implementing the recommendations of Buffalo Jump by cutting funding to native representative organizations and native media without any consultation, contrary to the solemn promise made by the Prime Minister to native leaders in his release of April 18, 1985?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend wrote out the question before he heard the answer given to my Liberal colleague over there.

I will be happy to go back and get my hon. friend the exact number, but since 1985 there have not been any cuts to native programs. There have been increases of hundreds of millions of dollars, $200 million in the upcoming year. Since 1985 there have been increases of hundreds of millions of dollars to the native community in Canada. Each year since this government has been in power there has been a substantial increase in funding for the aboriginal peoples and we propose to maintain that policy intact.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I hope my supplementary question will make it to the Secretary of State who seems to be surrounded by a number of defenders.

In the letter from the Secretary of State to native leaders justifying cuts to native organizations he states: "All areas of government have been asked to decrease expenditures and my department is no exception."

Can the minister explain why, of the $23 million in cuts in his department, $19 million came from native programs? Why is there a concentration on native programs while in comparison, for example, the budget for official languages went up by $8 million? This does not sound like the cuts are being shared equally, either within the government or within his department.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, there are no cuts to the DIAND Indian and Inuit affairs program. It went from $1.4 billion in 1984–1985 to $2.3 billion in the current year.

Some Hon. Members: Hear, hear!

Mr. Weiner: That includes $20 million to status Indian organizations. That is not a cut. That is a major increase, including $202 million of increase for this year alone.

* * *

EXTERNAL AFFAIRS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Mr. Fulton: He won't answer because he's a racist.

Some Hon. Members: Oh, oh!

Some Hon. Members: Order!

Mr. McKnight: Withdraw!

Mr. McDermid: Stand up and withdraw.

Mr. Jelinek: He called him a racist.

Mr. McKnight: Have some courage, Fulton.

Mr. Speaker: The hon. member for Skeena.

Mr. Fulton: I withdraw what I said, Mr.Speaker. It was intemperate but I felt it.

Some Hon. Members: Order!

Mr. Speaker: I do not accept that as a withdrawal. The hon. member will withdraw it properly.

Mr. Fulton: I withdraw the remark, Mr. Speaker.

Mr. Speaker: The hon. member for Parkdale—High Park.

Mr. Flis: Mr. Speaker, my question is for the Secretary of State for External Affairs. The unification of Germany has vast implications for all of Europe and the rest of the world. What role does the minister see for Canada as

a member of the Conference on Security and Co-operation in Europe in these negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member and the House will know that during the Open Skies Conference a very important agreement was made involving the four countries which had been the great powers involved in the signature of the Potsdam Agreement and the two governments of Germany. That was important because it filled a void in dealing with some of the implications of German unification.

Obviously there has to be the involvement of other countries including, very actively, Canada. We are one of three nations that maintains a troop presence in Germany and consequently have an unusual interest in some of the implications of unification.

Part of that will be done through NATO. Part of it, as the hon. member suggests, could be done in the context of the CSCE negotiations and discussions which will become increasingly important as we proceed toward developments in Europe. There is also the possibility that informal arrangements can be made involving Canada and perhaps some other countries to become engaged in the process that was begun with the two-plus-four formula.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my supplementary question is directed to the same minister. We know that the talks on German unification have already begun under the two-plus-four formula but given the fact that Poland has serious and well-founded concerns with respect to its boundaries, has Canada communicated to the six countries within the two-plus-four formula that we will not accept anything short of an absolute safeguard of existing boundaries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the hon. member would look carefully at the language that was used when the two-plus-four formula was put in place, he will recognize that that language was framed to take particular account of the Polish situation.

I think that is understood by the Government of Poland. I know that is understood by the Government of Poland. But there is no question that there needs to be further precision coming particularly from authorities of the Federal Republic of Germany, and Canada is encouraging the Federal Republic of Germany to give those kinds of assurances.

• (1450)

VETERANS AFFAIRS

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the Minister of Veterans Affairs. Can he tell the House why benefits to Canada's war veterans are being cut?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, while there have been changes, I can assure this House and the hon. member that there have been no over all cuts at all. In fact, the Veterans Independence Program has increased an enormous 60 per cent or more this year. There have been no cuts.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am not going to test my arithmetic here this afternoon. In his Remembrance Day tribute less than four months ago the minister talked about how much was owed to those who did their duty and more for their country.

No matter what the minister says, the fact remains that money was taken away from veterans and benefits were cut. Something is being taken away from veterans for the first time since the great depression. We should not be taking something away from veterans, we should be racking our brains trying to find something to give them. Veterans deserve benefits and veterans deserve better.

Can the minister tell this House that he will immediately go to the Minister of Finance and the Prime Minister and have these shameful cuts rescinded now?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, we have made it very clear to this House that we support the veterans. For example, we have improved disability pensions, we have significantly increased the prisoner of war allowance, we have expanded the Veterans Independence Program by 60 per cent this year alone, we have reinstituted pensions for remarried spouses. We have negotiated with provinces for additional beds and we have improved health care benefits since we formed the government by 136 per cent.

We have put in more programs and we do not need any lessons from the hon. member or from that side of the House on what we have done for veterans in this country.

* * *

THE BUDGET

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I am sure that the friends of the Tory government will be pleased to hear, after watching today's Question Period, that there have been no cuts in this budget.

In his budget the Minister of Finance announced that he would be capping the Canada Assistance Program for Ontario, Alberta and British Columbia because they are "have" provinces. The poor in these provinces are not the "have" poor. The poor in these provinces are just as poor as in other provinces.

My question is directed to the Prime Minister. I would like him to explain to this House how he can justify attacking the poor in Ontario, Alberta and British Columbia in this budget.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I do not think you can calculate a balance sheet on Confederation. We are in a particularly difficult deficit problem which is, as the Prime Minister said, a national problem.

The hon. member should look at the deficit situation of the three provinces to which she refers. As a matter of fact, the largest province, the province of Ontario, bragged about a balanced budget—excess funds as a matter of fact. It can proportion the funds which it has to the poor, to health care and to housing and can perhaps cut back some of the fat that it might find.

One per cent of the provinces total budgets will be affected. Actually it is much less than that in year one, it is .5 per cent. In year two it is about 1.2 per cent. Those provinces will have to adjust their budgets by 1 per cent a year. I believe that those three provinces can handle that while at the same time taking care of those who need care in our society.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I am very offended by the response from the hon. minister. I am offended because the reason there is a balanced budget in the province from which I come is that that province has squeezed the poor year after year after year.

I suggest that hon. members on the other side go to British Columbia and see the 280,000 kids who have no child care, the hundreds and hundreds of kids on lunch programs at school, the hundreds of kids at food banks and the poverty that everybody on that side of the House sweeps aside.

Can the hon. member really truly in his heart justify that kind of extra squeeze being put on people who have already been squeezed by the province?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, one of the things the hon. member misses is that there will be a 5 per cent increase to the provinces to help these people next year—not a cut as she likes to talk about, but a 5 per cent increase.

This government has a great record of helping those less fortunate, a great record that I am very proud of, as I know all my colleagues are.

The province of British Columbia will receive a 5 per cent increase next year, as will the other provinces that have been capped.

* * *

[*Translation*]

NORTHERN COMMUNITIES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development.

The people of the community of Umiujaq, in Quebec, are suffering terrible hardship as a result of increases in the price of food since the Canada Post Corporation increased its postal rates by 30 per cent, 100 per cent, or more.

Mr. Speaker, my question is this: While his department is still examining the question of the exorbitant rates set by Canada Post on January 31 this year, could the minister inform the House whether his department intends to consider the serious impact on the health and well-being of Northern Canadians, before the study ends as scheduled on February 1, 1991?

[*English*]

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank my hon. colleague from Abitibi for this question which is important not only to the residents of Umiujaq but to residents of northern Canada generally.

The problem arises, Mr. Speaker, because the normal postal subsidy which has been in place for several years is being removed this year. As of January 31, 1990 there have been significant rate increases affecting some northern communities.

My predecessor announced a careful review of the impact of these rate increases on January 19. We are looking very intently at the possibility that there might be any negative impact on northern communities. The Minister of Health is vigilantly watching to ensure that there will be no affect on the health of northerners. We will have a report quickly and remedy this situation as quickly as we can.

* * *

TAXATION

Mr. John Manley (Ottawa South): Mr. Speaker, in the absence of the Minister of Finance my question is for the Prime Minister. On January 29 the Minister of Finance said in this House that about $9 billion in federal sales tax revenue comes from the taxation of business inputs.

The Prime Minister knows that this tax is incurred at the corporate level and either absorbed through lower profits or passed on through higher prices, just the same as the corporate income tax.

Will the Prime Minister agree that the shift from the MST to the GST is the equivalent of replacing $9 billion in corporate income tax with an equivalent tax increase at the individual level and constitutes the largest single corporate tax decrease in the history of Canada?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): No, Mr. Speaker, we will not agree with that.

Mr. John Manley (Ottawa South): Mr. Speaker, many times this question has been put and the government refuses to admit the simple fact that by reducing the corporate tax burden in the manufacturers sales tax it has been passed on to individual Canadians.

[*Translation*]

I have a supplementary, Mr. Speaker. Revenue Canada officials know that for administrative reasons, it will be impossible to implement the GST by next January.

When will the minister admit that implementing the GST in January will be an administrative disaster and that the only reason the government is so adamant about this date is that it hopes Canadians will have time to forgive and forget before the next election?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, if the hon. member has been paying attention over the course of the last six to eight months he will know that on a regular basis I have made public announcements, both outside this House and in this House, advising hon. members and Canadians of the progress of the preparation towards the GST, a change in the taxation system that is going to benefit Canada and Canadians, put the Canadian industry on a competitive level playing field with the international community and make Canada stronger, better and more prosperous.

• (1500)

I can assure this House that we are progressing well. We are on track. I can guarantee this House that there will be a smooth launch on January 1, 1991 for the benefit of all Canadians.

* * *

FREE TRADE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I will put my question to the same minister.

As the minister knows, since the signing of the free trade agreement there has been a major haemorrhaging of the border economies through a 19 per cent increase in border crossings and an 85 per cent increase in purchases registered. As the president of the customs union official said, "Canadians enticed by talk of free trade and low prices are heading south in record numbers".

The federal government is proposing to the provinces that if they accept the implementation of the GST, they can now charge provincial sales tax on these purchases. By adding new taxes to the burden already being

exercised upon Canadians, is this the way of solving the major haemorrhaging and spending which is taking place and affecting seriously the economies of our border towns and communities?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, if the hon. member knows anything about the free trade agreement, he will know that the increased congestion at the border has absolutely nothing to do with that agreement. As far as the congestion at the border with the trans-border crossings that are taking place and the difficulties being experienced in several border communities, I will be making a detailed announcement to the Canadian Importers Association, the Canadian Manufacturers' Association, and others at a luncheon speech this Wednesday in Toronto.

Hon. Lloyd Axworthy (Winnipeg South Centre): The minister says it has nothing to do with free trade, but if it waddles, quacks and has feathers it is a duck. In this case it is free trade.

Mr. Speaker, I want to put this question very clearly.

In this year alone we are suffering a $20 billion deficit in our current accounts. That is double what it was last year. Some $3.5 million leaves the economy of this country every hour.

I want to raise this question with the minister: Rather than forcing a new sales tax on Canadians, which will make the haemorrhaging even worse, why does the government not just cancel the tax, cancel the free trade agreement, and give the economy back to Canadians?

An Hon. Member: Can you waddle and quack at the same time?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I would like to pass on to the hon. gentleman the opinion of the Ontario Trade Minister Monty Kwinter, who was in Australia and told Australian business leaders that thanks to the U.S.-Canada Free Trade Agreement Ontario represents Australia's best way into the tough North American market. I quote him: "We know the North American market like no one else does and freer trade means we will get to know it better. It makes good sense for both of us".

That was a gentleman who had feathers and quacked like the hon. gentlemen opposite, but he is now quacking in support of the free trade agreement.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

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

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

EXTERNAL AFFAIRS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is my duty and honour to table a petition signed by Canadians from many ridings regarding the release of Mr. Yih-Sheh Leo who was arrested unlawfully and sentenced to 10 months' imprisonment for exercising his right to return to his native land. Mr. Leo is currently under indictment and still in a Taiwan prison.

The petitioners say that Mr. Leo is a valuable citizen of Canada and a law-abiding taxpayer. They urge the government to take immediate and effective measures to secure Mr. Leo's release.

GOODS AND SERVICES TAX

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour to present to the House three petitions signed by Canadians in my riding of York West.

The petitioners are urging the government to scrap the GST. Not only is it going to hurt average working class families in my riding, but it is also going to undermine and address the serious difficulties the small business sector will have in my riding.

I am pleased to present to the House these three petitions in the hope that the government will listen to Canadians finally, once and for all.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the pleasure and the honour to present a petition from my constituents in response to a mailing

asking them their opinion on the goods and services sales tax. I must say that thousands of people in Ottawa—Vanier took the trouble to answer this request and that they are vehemently opposed to a goods and services tax. They think that this tax will be hard to administer, unfair to poor and middle-income families and a tremendous burden for small business.

[*English*]

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by hundreds of residents of Burnaby and the city of Vancouver, expressing concern that the Minister of Finance has proposed the goods and services tax as an unfair form of taxation because of its lack of regard for taxpayers' ability to pay.

They note that the government has not addressed the unfair taxation system currently in place and that the government is now trying to tax reading, hair-cuts, diapers, coffins and home heating fuels.

Therefore they call upon the government to reject the current proposal for a goods and services tax and to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations. They urge the government to cease this proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

In short, the petitioners call on the government to reject the goods and services tax.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from quite a number of Canadians who are very concerned with the goods and services tax.

They call on the government to reject the current proposal for a GST, to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, and to ensure that there be broad public consensus on the sales tax measure to replace the manufacturers' sales tax and that the government cease with a proposal that will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I am today tabling two petitions, one from Matagami and one from Chibougamau, further to the recommendations of the task force on tax benefits for northern and isolated areas.

The signers, representing isolated communities, are very worried and reject the recommendations of this report which, among other things, would result in many workers losing their jobs.

They feel that the Government of Canada is refusing to adjust to the reality of their daily life, for life is hard in the North.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following question will be answered today: No. 175.

[*Text*]

TAXES

Question No. 175—**Mr. Young (Gloucester):**

> Does the government intend to change (a) existing excise taxes (b) existing excise duties (c) the nine per cent sales tax advocated in the Goods and Services Tax Technical Paper once this tax has replaced existing sales taxes on (i) tobacco (ii) liquor products (iii) transportation fuels and, if not, is the government committed to keeping these taxes at the existing levels in the case of excise taxes and duties and at the proposed nine per cent level in the case of the federal sales tax as advocated by the government and, if so, does it intend to recoup the difference between current revenues from taxes on each of these goods and those projected under the proposed goods and services tax and what will be the new levels of excise taxes, excise duties or federal sales tax for each of these goods?

Hon. Michael Holcombe Wilson (Minister of Finance): Under the proposed Goods and Services Tax, alcohol, tobacco and motive fuels will be taxed at 7 per cent. In addition, excise levies will continue to apply to these products. Given the deficit situation, it would not be

realistic to expect that the government would forego the current excise revenues from these items.

The 7 per cent GST rate represents a substantial decrease from the current federal sales tax rates on alcohol, tobacco and motive fuels. The reduction in revenues resulting from this decrease will be only partially offset in the case of alcohol and tobacco products by shifting the imposition of the tax from the manufacturer's to the retail level. Thus, without certain adjustments to excise levies, federal revenues from excisable goods would decline significantly. Sustaining this loss in existing revenues would make the achievement of a 7 per cent GST rate more difficult.

Accordingly, modifications to the rates of some of the excise levies will be made to protect current revenues. Thus, the excise levies on beer, spirits and wine will be increased from $1.58 to $2.29 per case of 24 bottles of beer, from $3.22 to $3.32 per 750 ml bottle of spirits, and from $0.34 to $0.39 per 750 ml bottle of wine. The federal excise tax on cigarettes will rise from $4.28 to $4.36 per carton, with similar increases in the excise levies on other tobacco products. There will be no changes in excise levies on motive fuels.

On average, the prices of these products to consumers should not change as a result of these adjustments.

[*English*]

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

Mr. Speaker: The question enumerated by the parliamentary secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*Translation*]

• (1510)

MOTION TO ADJOURN UNDER S.O. 52

VIOLENCE AGAINST WOMEN

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I find the request for an emergency debate to be very important and I have written down why I am making this request. Let me take a few minutes of the House's time to give the reasons.

[*English*]

Today, all women across this land are tuning their television sets to hear from their political leaders that the shock, the pain and too often the horror of words and deeds said against them because of their chromosomes will be brought to a halt because of the political will of our country's leaders in this House of Commons.

Men and women alike, must debate right now in an emergency debate on what we can do to refrain the violence against women. Before we can tackle any debate such as the one on the goods and service tax, the funding for women's groups or the proposed new abortion law, we must be able to demonstrate to the people of Canada that violence against women will not be tolerated.

Men and women must be treated fairly and equally and a message must be sent at once to everyone that there is a strong will in the House of Commons from members to push such measures.

In the years since the introduction of the emergency debate, it is most likely the first time a commoner has asked the permission of this House to entrench fundamental rights for a group of Canadians.

Sexism has reached an endemic state in our country. We are to be blamed because we accept sexism against women as acceptable and understandable and then we accept all forms of violence against women. This abuse must come to a halt, and the proper place to begin right now our journey to fight sexism and violence against the women of our country is right here in the House of Commons.

Today, I am seeking the compassion of the Speaker of the House to allow an emergency debate in order to start a new era of equality among all people, especially men and women of this country.

I therefore ask you, Mr. Speaker, to permit me to move a motion under Standing Order 52(2):

> That this House do now adjourn to call on all Canadians to set aside their differences and pledge that all men and women in Canada are equal and will be treated fairly.

My motion is seconded by many members on all sides of the House.

[*Translation*]

And I eagerly and hopefully await your decision.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Laprairie (Mr. Jourdenais) has moved that the House adjourn under Standing Order 52 for an emergency debate.

The subject is very serious not only for all hon. members but also for all Canadians. I also note that the hon. member has the support of many members on both sides of the House. As I said, it is a very important, very serious subject, but I must say that it is not appropriate for an emergency debate.

There will be many other opportunities to raise the subject, and I thank the hon. member for Laprairie for his request.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government; and the amendment of Mr. Young (Gloucester)(p. 8636).

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, no doubt you have had an opportunity after the week's break from the duties of this House to refer to *Hansard* where I made mention in my remarks about how tough this budget was and how this political party has the political courage and guts to deal with a national debt problem, where others just seem to criticize and do not have much of a resolve as to how we should solve this difficult problem.

It is a difficult time to be in government. This country, plain and simple, cannot afford giveaways. Some segments of the population acknowledge this point; others do not. Hence our job is made that much more difficult.

We are listening and doing what must be done. We have made real progress in restraining spending since September 1984. This budget is simply a continuation of our fiscal plan.

Over the past five years we have limited the growth of program spending to an average of 3.6 per cent. This is lower than the rate of inflation and lower than any provincial government. That, I deem, is responsible government.

After a generation of double digit growth in program spending by successive Liberal governments, this responsible budgetary approach was long overdue. Between 1970 and 1975 program spending increased by some 18 per cent; in the next five years, by 10 per cent, a period of restraint I guess; and finally between 1980 and 1984 spending on programs was boosted by 14 per cent a year. This budget will once again limit spending growth to well below the rate of inflation. As a matter of fact, except for the interest payment on the debt, this budget reflects a budgetary surplus.

The effect of this budget and earlier restraint measures announced in December is substantial. Spending next year will be cut by $3 billion, and by more than $19 billion over the next five years. This kind of expenditure control is tough but it is needed. Our future, our children's future, and Canada's future depend on our resolve to act today.

We on the prairies know that inflation must be controlled. We understand the effects of high interest rates. We have lived through the disaster caused by the upward spiral of inflation and interest rates some years ago. We are currently feeling tremendous pressure again, and we feel the effects of a stagnant economy caused by a series of droughts and international trade wars. Some money has been cast our way, but this has not solved our problem. Our problem can be solved only with the co-operation of mature, sound federal economic practice and international trade harmony.

We see the effects of rising interest rates today. This budget is a major step toward reducing the federal deficit which will help ease inflationary pressures. Only by reducing inflation can we hope to lower our interest rates. Lower interest rates will also help us further reduce the deficit.

There is no magical or painless solution to the interest rate problem as my colleagues in the NDP would have us believe. We are a relatively small and open economy. We simply cannot ignore the rest of the world and manipu-

late our interest rates in isolation. We have to attack the root cause of the problem, and that is of course inflation.

If we fail to control inflation and the deficit we will pay the price. That price is a weaker economy and a weaker government less able to do the things that people want and need. Just as important, we will lose our sovereignty. We could soon see Canada dependent upon the international monetary system. That is something that no true Canadian wants to see, and Canadians have an interest in avoiding it.

The deficit is truly a national problem, a Canadian problem. Therefore it demands a national solution. If we are to restore health to the nation's finances, provincial governments must also do their part. They will also enjoy the rewards of lower inflation, lower interest rates, and sustained economic growth. After all, we do serve the same people.

Substantial deficit reduction cannot be achieved without affecting transfers to the provinces. They are simply too large a part of federal expenses to be ignored. Cash transfers to the provinces alone account for 23 per cent of total federal program spending.

Let us look at the transfer picture. In the fiscal year just ending, tax and cash transfers to provincial governments total more than $35 billion, and these have been growing faster than federal programs generally. They have risen at an average annual rate of 6.5 per cent since 1984–1985. During the same period, spending on federal programs in general has been held to an annual average growth rate of 3.6 per cent, which is well below the rate of inflation.

This year 35 cents out of every federal dollar goes to paying interest on the national debt. The provinces on average pay approximately 12 cents of every revenue dollar toward debt.

In Saskatchewan debt servicing costs are less than 10 cents of every revenue dollar. The Saskatchewan government, under the leadership of Premier Grant Devine, should take great pride in its fiscal record. Given the liability of the farming economy on the provincial treasury and the other factors, it has shown excellent stewardship of the public purse. However, this budget recognizes that transfer payments to provinces cannot continue to expand at the same rates if deficit reduction goals are to be achieved, and they must be achieved.

Under the budget's expenditure control plan transfers to provinces are expected to grow by approximately 3 per cent on average over the next two years, roughly the same rate as total program spending.

The budget recognizes the special circumstances of low income provinces too. Transfer income growth in the higher income provinces is expected to average 2.3 per cent, but in Atlantic provinces it will be some 4 per cent over the two years the regime is in place.

• (1520)

The reductions in the rate of growth of transfers to provinces represent about 1 per cent of total provincial revenue. Federal support to provinces remains large and total transfers will still increase to more than $36 billion in 1991.

The poorest provinces will get more growth than others on top of the significant extra help they already get on a per capita basis. As an example, the substantial nature of past transfers has helped Saskatchewan avoid the kind of deficits shouldered by the federal government. This should not change during the two-year period of transfer restraint. The federal government has been careful to tailor the impact of its transfer restraint measures so as to be sensitive to the fiscal capacity of Saskatchewan relative to other provinces.

The Established Programs Financing to Saskatchewan will be limited to the same per person levels as in 1989–1990 for the next two fiscal years, but equalization transfers, which in Saskatchewan are some 60 per cent of the size of the EPF, are expected to continue to grow normally. This means much faster than other federal spending.

Growth of social assistance transfers to Saskatchewan under the Canada Assistance Plan will also be unaffected, because the budget exempts provinces that receive equalization from the 5 per cent cap on growth of these payments.

The result is that transfers to Saskatchewan under these three major programs which total $1.22 billion are expected to rise in the next two fiscal years to $1.25 billion and $1.29 billion respectively. This is less than the increase projected prior to the budget. It does, however, still represent an average growth of about 2.4 per cent over the next two years.

Federal support to Saskatchewan is going to continue to play a strong, positive role in the provincial fiscal picture. It is worth noting that between 1984 and 1989 provincial government expenditures grew by an average of 4.2 per cent a year, while during that same period federal transfers to Saskatchewan grew by 11.1 per cent annually.

In the next two years the major federal transfer programs will make up close to 30 per cent of total Saskatchewan revenues. In Ontario and Alberta federal transfers account for 20 per cent to 22 per cent of total revenues. On a per capita basis the federal transfers are expected to amount to $1,236 for each Saskatchewan resident in 1990–1991 and $1,269 for the subsequent fiscal year. The same figures for Ontario are $956 and $963.

I am not trying to suggest that these measures will have no impact on Saskatchewan. There certainly will be. However, I believe that the federal and provincial governments must cope with the reality of our present situation. All governments must take actions to ensure that each tax dollar is spent more carefully and used more wisely. All Canadians have to adjust their expectations of what the federal government can deliver, given the present circumstances.

We presently have a national debt of some $350 billion, and it will continue to grow until the year 1995. We can choose to take strong action over the coming years or the matter will be out of our hands.

For residents of Saskatchewan, on balance I believe that the budget can be looked upon as a necessary national effort. It is fair in its demands and promises clear rewards in the form of a healthier economy. Greater financial security for governments and Canadians and a better, more prosperous future for our children are other benefits of this budget.

This budget does much more than reduce transfers to the provinces. It has much to say about continuing restraint within the federal government itself. Canadians want less government and they want less government waste. That is exactly what the government has been doing and is continuing to do with the budget.

The government has placed a great deal of emphasis on restraint and the cost of running the government. Over the past five years this cost has declined by half a billion dollars and is a real saving to the people of Canada. It represents a reduction in real terms of some 25 per cent.

Government leadership in this area will continue. The 2 per cent cap on non-salary expenditures by all departments has been extended to 1995. This will save the people of Canada $450 million over the next two years. Government departments have taken significant steps forward in their drive to reduce waste and improve efficiency. This process will continue and yield further benefits.

Over all, this budget will reduce spending relative to 1989–1990 levels on about 40 per cent of all government spending on programs, but it is equally important to mention the areas of government spending that will not be affected by the budget. A number of areas have been exempted: elderly benefits, family allowances, veterans pensions and allowances, and unemployment insurance benefits. Of course equalization payments and Canada Assistance Plan transfers to equalization receiving provinces are also exempted. In all these exempt programs will receive an additional $6.2 billion over the next two years, yet despite these major increases in funding to those in need total spending will increase at an average rate of only 3.7 per cent over the next two years. As in the past, our Minister of Finance has sought to spread the burden or restraint over a wide base, yet he has kept in mind—

The Acting Speaker (Mr. Paproski): I regret to stop the hon. member at this time, but he has 10 minutes left in his debate because of the time that he started his debate prior to February 23. We have just calculated the time and the hon. member has 10 minutes remaining in his debate, plus 10 minutes for questions and comments.

Mr. Schneider: Thank you, Mr. Speaker. I can slow down then so that we can all understand what I am going to say, and for reasons of effect, also. I was trying to get as quickly to the conclusion as I could so as not to impinge upon the credibility of your presence here. I will refer back to my notes and hopefully not offend anyone by repeating some very important and meaty matters in my remarks, some very weighty matters.

It is worth taking special note that this budget is about more than reducing transfers to the province. It is about government waste. I made mention of that earlier and I want to emphasize again that this government has done more to prevent waste than any other government

before and is courageous enough to want to stick with that.

There have been those who have argued that we are taking the easy way out. I challenge the people who have made that statement because in fact this has not been an easy way out. It has been very difficult. The program to arrive at a deficit reduction formula which will see that Canadians remain happy and at the same time freed from the burden of the national debt is not an easy path at all. As a matter of fact it is very difficult. We say that it will not be terribly popular, but it must be done.

The measures announced in the 1989 budget, together with the spending reductions announced last December and those of one week ago, are absolutely necessary for two reasons. First, they will place the deficit back on a downward path. This will help to free up domestic savings to finance needed investment in Canada. It will diminish our increasing reliance on foreign saving and reduce the burden of debt on future generations.

Second, these measures will contribute in a substantial manner to the lowering of inflation. Only by lowering inflation can we ease the burden on our monetary policy and increase the scope for a downward shift in our interest rates. We simply cannot accept budgetary deficits of $30 billion. The compound interest that we must pay on our debt will suffocate the country. We know that 80 per cent of our debt accumulation since 1984–85 is a result of interest on our cancerous debt. To allow that process to continue would be a grotesque abdication of our responsibility. This budget is a clear indication that we will not stand by and spin this nation into the ground.

I for one—and I am sure there are many—would have liked to have seen us get on a faster path to a balanced budget. However the choices have been made and the path chosen. All members of the House of Commons and all governments must work together to end our nation's legacy debt. It must be the highest priority if we are to pass a strong Canada on to the next generation.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my colleague has made a number of remarks to which I would like to refer. He and others have often identified the supposed high spending of many provincial jurisdictions. In fact Ontario was recently singled out.

My question is as follows: Is it possible that a significant portion of the increased funding by provinces is a result of the cut-backs to provinces in health and education? Those two alone will be over $39 billion between 1986 and 1995. There are also cut-backs to sectors such as agriculture and housing. In fact because of increased poverty which has increased costs to the provinces, is it possible therefore that the increased spending by provincial jurisdictions is a direct result of the reductions in those transfers in a number of sectors?

Mr. Schneider: Mr. Speaker, I have the pleasure to be able to respond to that question somewhat in isolation. I enjoy the conversation that is going on at the far end of the House of Commons. Unfortunately I have to speak while I am on my feet. I would rather choose to listen to see what two experienced colleagues have to say to one another. I do have an answer to at least part of the question. It was somewhat convoluted in that it ties an apparent reduction in federal government spending to an increased requirement by federal governments to come up with extra funding, covering a wide perspective of various budget areas. I will pick two areas in particular that the hon. member made reference to. The two that he made reference to are in the areas of health and education, the perceived reduction in federal government moneys made available to the provinces for those two very important areas.

• (1530)

I want to assure you, Mr. Speaker, that while the federal government has shown that the rate of growth in transfer payments to the provinces is showing a slowdown, the fact is that it continues to grow.

As a matter of fact, had the hon. member been attentive to my earlier remarks, I think he would have found a relationship between the growth of moneys going to the provinces in terms of transfer payments in direct relationship to how we have had to curtail money that we have spent. He would have seen a very dramatic difference between the two, a dramatic difference to the point where moneys going to provincial governments have increased some 6 per cent per annum where the

amount of increase that we have allowed ourselves is somewhat closer in the order of 3.6 per cent to 3.7 per cent.

First of all, to say that we have restricted funding to the provinces is simply not telling it as it is, with the exception of this year as it relates to their expectations in terms of growth of what they had anticipated.

I have been advised that as of last December, the hon. Minister of Finance, in meeting with provincial finance ministers has indicated to them that this is not a sacred cow in that we, as a federal government, are harnessed with this national debt and are looking for ways to address it. As we have had all kinds of communications from our constituents saying: "Do something about government spending", I think it can be safely assumed that those people who have been writing us mean the same thing for their provincial governments. We have taken the bull by the horns, so to speak, and we have shown a decline in the growth of moneys going to the provinces.

It is interesting to note that we make reference to the province of Ontario. I recall hearing a statistic recently to the effect that only 80 per cent of the transfer payments that went to the province of Ontario, generally understood to be required for the purpose of education and health, went to those two departments. The other 20 per cent went into general revenues.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, it was with great interest that I listened to my colleague for Regina—Wascana and his statements on the budget. There are a few things, however, that I should mention.

First, his statement that the NDP call for lower interest rates was just an NDP notion. I wish to remind him that the Devine government in Saskatchewan has also called for a lower interest rate policy.

Second, he lauds the leadership of the Devine government in tackling debt in Saskatchewan. I was not able to watch the hon. member's face, but I am certain that there must have been a bit of a smile when he made that statement. Certainly the Devine government in Saskatchewan, as all Saskatchewan people have known, has driven Saskatchewan into its biggest, deepest debt and deficit in the history of our province. It started with a good surplus in 1982, and the last time I tried to estimate it, it came close to around $10,000 per person of debt in Saskatchewan.

I am surprised as well that the hon. member for Regina—Wascana, who has the university in his riding, is not somewhat concerned at the cut-backs which will cost Saskatchewan somewhere between $90 to $100 million in the next two years. It will affect the University of Regina which is in his riding. I am certain the university and students at the university will be making presentations to him to enlighten him of the fact that the cut-backs will hurt higher education in Saskatchewan.

I am also surprised that the hon. member did not mention some of the cut-backs to native organizations. Regina has a major problem dealing with child hunger, particularly among the native community. I am certain the hon. member in his former career as mayor of Regina was very well aware of the problem of hunger in Regina, particularly among the native community. Surely he must realize that this budget will put the extra squeeze on these people.

The last thing I am surprised at, and I would hope the hon. member would make some comment on, is the state of agriculture in Saskatchewan. He knows that the projections are that next year there will be a negative income in the farm community in Saskatchewan. We are facing a serious problem back home. Anybody from Saskatchewan surely has to begin to address that question and the urgent need that farmers in Saskatchewan are facing for some type of support in order to save farm families from going under.

Mr. Schneider: My hon colleague from Regina—Qu'Appelle gives me a great deal to comment on, but I do not believe I have as much time as is required to reply.

I am particularly pleased to note that the member has listened with great interest. It probably goes on record as one of the few times he has ever listened to me with great interest and certainly there has been ample reason why he should have. But I welcome that attentiveness to the House of Commons here today.

I have to make reference to a few of the points that I hastily jotted down. He ridicules the provincial government's ability to handle the finances given to it by public trust. What he does not make mention of is that about the time they were elected, the economy of Saskatchewan was headed into a spiral down hill in that we were to experience low prices for potash, uranium and oil in unprecedented proportions. I do not believe that anyone can point a finger at any political party and accuse

politicians of having any impact on the world commodity prices for a provincial commodity.

The fourth item that he alludes to is with respect to the agricultural situation. I have a permit book and no one in this House of Commons has to tell me the drastic plight with which Saskatchewan farmers are currently being confronted. It is a terrible problem but thus far all I have heard is people making reference to the problem, no one has a solution. I would greet with open arms and enthusiasm those who can come forward with a solution to the problem. Perhaps we could build a brick wall around Canada, eat our own wheat. That at least will not cause it to be an international problem.

Yes, the University of Regina does cause me very great concern. As I made reference earlier, 80 per cent of the transfer payments to the province of Ontario went to health and education and 20 per cent went into general revenues. There are no controlling factors on the transfer payments that are going to the province of Saskatchewan which will cost the province $33 million. Let us not frighten anyone with this $100 million figure. It will cost the province of Saskatchewan $33 million and as we have to tighten our belts, I think the province of Saskatchewan can do that.

I would entreat the member for Regina—Qu'Appelle that instead of giving us continued hot air, give us a little rain, it will help out agriculture more than any rhetoric.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I am delighted to have the opportunity to rise to speak to what I consider now, after today's Question Period, to be a phantom budget.

As we heard during Question Period, there were no cuts in this budget. I wonder if the people on the other side of the House could tell us whether we are looking at some different documents. Were we not provided with the same information that the government is operating from, or in fact is there a whole bunch of smoke and mirrors when it comes to the budget?

Mr. de Jong: George Orwell is alive and well in Tory ranks.

Ms. Langan: My colleague from this side of the House just pointed out that George Orwell could not have done a better job than the kind of job that was done on the Canadian people in Question Period today.

This budget is forcing Canadians to take yet another step on the economic tightrope that the Tories have stretched from coast to coast for Canadians. We have had the free trade deal, the clawback on pensions, family allowances, cuts to unemployment insurance, privatization of Air Canada, VIA Rail, now Petro-Canada and Telesat, and the goods and services tax.

All of those things have been heaped on top of all of this. When I say "this", I mean the kinds of things that we were raising in the House today.

This is a so-called budget where the finance minister is attempting to finish the job that he started on Canadians six years ago. I would like to comment to the hon. member for Regina—Wascana that Saskatchewan has been accused of being in violation of the CAP guidelines to provide for those in need, and yet there is no recognition of that in the response that we got from the hon. member for Regina-Wascana.

• (1540)

Saskatchewan has one of the lowest welfare rates in Canada and one of the highest rates of infant mortality. I hope that the hon. member for Regina—Wascana will think about those things the next time he rises in the House and explain how this budget is going to help people in Saskatchewan in view of those horrid statistics.

Because my area of concern is social policy, I would like to talk about the social policy side of this budget.

There has been a cut of $51 million over two years for social housing. This, at a time when Canadians in every major city of this country, in suburban communities and municipalities, and in many cases rural communities are finding it impossible to afford housing in this country. Yet, we have had a $51 million cut for social housing.

The federal government has unilaterally decided to freeze transfers to the provinces for criminal legal aid at the 1989-90 level for the next two years, approximately

$86 million, at a time when more and more Canadians are unable to defend themselves, to be represented in this great free country because they cannot afford it, because they are living below the poverty line.

The two programs that are most affected by the finance minister's budget are the Established Programs Financing and the Canada Assistance Plan. Under the Established Programs Financing transfer payments to the provinces for health and post-secondary education are made. How much the provinces lose due to cuts to both the EPF and the capping of the CAP program start adding up very rapidly.

British Columbia, my home province, $102 million; Alberta, $98 million; Saskatchewan, $33 million; Manitoba, $38 million; Ontario, $378 million; Quebec, $220 million; New Brunswick, $24 million; Nova Scotia, $29 million; P.E.I., $4 million and Newfoundland, $19 million.

This is at a time when some of those provinces are under tremendous stress. We have heard in this House in the last few months the stress that the Atlantic provinces are under. This is at a time when Saskatchewan is under terrible stress. The hon. member from across the way wanted to throw in the reason that it was drought. If drought it is, then there is stress in that province. Yet, Saskatchewan is being cut by $33 million.

The only reason that there is a balanced budget in British Columbia is that the British Columbia government has not paid adequate welfare rates, has not provided adequate child care, has not provided adequate school lunch programs for those who are poor, has not provided anything in housing, has not provided any of the social safety net features that we expect through transfer payments. That is why that province has a balanced budget.

Now the double whammy is that their cut is even greater and the very people who have carried the province to make it balance its budget are going to be hit again with another whammy.

Under health care, CBC reported that Quebec's Minister of Health may be forced to stop funding some medicare services as a result of the cuts to the EPF. Marc Yvon Côté says that the government's budget is costing Quebec's health plan $157 million. Mr. Côté wants to drop some services from the universal medicare plan. It would mean more patients would have to pay for some of the treatments and it would mean that that would be right in line with what this Tory government believes should be happening in Canada, that is, the development of a two tier medical system.

British Columbia is already sending heart patients to Seattle for serious, much needed health care. What will the effects of the EPF cuts be to heart patients in other parts of this country? Under the Canada Assistance Plan, transfer payments to B.C., Ontario and Alberta will be capped at 5 per cent more than what they spent in 1989-90. But the anticipated costs are expected to be much higher.

The Canada Assistance Plan came into effect in 1966. It is the federal government's commitment and its responsibility to fund 50-50 the costs of social services and welfare programs in this country. The finance minister is claiming that he is applying the same principle the federal government is using for the clawback of family allowance old age security payments to higher income Canadians. He said that British Columbia, Alberta and Ontario do not need as much help in financing programs as do other provinces.

British Columbia and Ontario, and it is anticipated that Alberta will join in, are taking this government to court, claiming that the finance minister is violating a contract by unilaterally changing the funding formula under the Canada Assistance Plan. The plan requires the government to give one year's notice to the province and requires that the province give its consent.

Under an Order in Council, the B.C. government will be asking the B.C. Court of Appeal whether the terms of the CAP Act of 1970 or a 1967 agreement between the federal government and B.C. give rise to a legitimate expectation that the Government of Canada would introduce no bill into Parliament to limit its obligation without the consent of British Columbia.

It will also ask the court whether the federal government has any statutory prerogative or contractual authority to limit its obligation to contribute 50 per cent of the cost to B.C. of assistance and welfare services.

This government is expected to introduce legislation and, indeed, is introducing legislation to change the Canada Assistance Plan Act before the court rules.

Even Leonard Shifrin, a respected columnist when it comes to discussing social policy, has said that this budget is a load of rubbish.

When the finance minister says that the CAP ceiling affects only the three richest provinces, I think it would be important to more accurately say that it affects one half of Canada's poor, who live in Ontario, Alberta and British Columbia. After years of chipping away at universality and claiming benefits should go to only those in need, this government has decapitated the one program that is totally targeted to the poor.

Child care is affected in two ways by this budget. One, the government has failed once again to announce a national child care program. Even more important is the effect of this government's decision to unilaterally change the funding responsibility for a federal—provincial program.

The Ontario Attorney General put it best when he said: "Why would any province in the future ever rely on the undertaking of the federal government to fund a program, if as soon as the program is established the federal government can say: 'Now that you are under way, we have changed our minds'". Since the only way the provinces get assistance for any funding to child care is through CAP, concern has been expressed about whether the three provinces will, indeed, be willing or able to increase funding to address the continuing crisis.

In Ontario, 8,000 eligible families are on a waiting list for subsidized care across the province. The Ontario Coalition for Better Child Care was hoping for 5,000 to 5,300 new spaces for children in the province in the next fiscal year. Now they estimate they may get 1,000, and that would be due to the capping of CAP.

In B.C., as I said during Question Period, it is estimated that 300,000 children need child care and only 20,000 licensed spaces are available. What happens to the other 280,000 kids in British Columbia who need child care?

• (1550)

The Native Council of Canada recently reported on the lack of native child care, especially in urban areas, and cited this as a reason for denying natives the opportunity for jobs and education. In Vancouver, it is estimated that there is a native population of 60,000 but there is only one child care centre. It is estimated that 5,000 Indian children are in desperate need of child care, yet there is only one native Indian–run centre called Sundance Day Care Centre.

In response to criticism that his government is neglecting the needs of Canadians and their families, the Minister of National Health and Welfare has always pointed to the child care initiative fund as a shining example of the Tories' commitment to child care. Now they have shown us just how much this commitment means: $1.75 million has been cut from the fund. The department argues that this is only a freeze at the 1989 level of spending, that the $15 million fund was under–utilized, the demand was not there. Advocacy groups on the other hand point out that the criteria applied made these funds almost impossible to get. The funding that is granted for more studies does not supply the needed capital or operating funds to create child care spaces for children. This is the only federal program that is specifically for child care and the government has cut it.

I would like to add at this point a comment about the cuts to the veterans' programs. After World War II there was a national consensus that established that those who had gone and fought on behalf of the country, or those who had been willing to go would indeed be given assistance to reassimilate and to survive in society, particularly those suffering from the effects of war.

I cannot believe that this government could be so cynical as to raise the daily charges for vets in long term care from $8 to $14, almost doubling it, and to cut into the very successful Veterans Independence Program. I would like to also point out that the cut to the Veterans Independence Program is another area where women's programs have been cut because many of those veterans have wives at home and the areas that are being cut are going to make it increasingly difficult for those husband and wife teams to remain in their homes.

The average vet in Canada today is in his or her mid–sixties. Their numbers are diminishing. It is incon-

ceivable to me why this government would cut the programs for the veterans in this country at a time when through attrition those programs are diminishing in cost daily.

In conclusion, it is important for us to note that the cuts in this budget and the way the government has approached this budget are very similar to the way one would try to sucker one's bank manager.

Mr. Speaker, if you or I as small business people went to our bank manager and said: "We have a whole bunch of accounts receivable due us but we are not going to bother about that. We are only going to increase our spending by 5 per cent this year and we are going to try to pay you back and cut down our debt as much as we can, but we are not going to bother those folks who owe us and we are not going to ask those people to pony up what they owe us in accounts receivable.", our bank manager, yours and mine, would think that we had gone off our heads.

This government is introducing a budget. It has all kinds of accounts receivable from 80,000 Canadian profit making corporations that have not paid any taxes, from deferred taxpayers, corporations that have deferred their taxes endlessly and the government increases its budget, cuts in some very important areas where people desperately need the funding, and says to you and I that it is tightening its belt and goes to its bank manager and says: "But we are going to cut our spending where we can".

I would suggest that it is high time this government started asking Canadians on the other side of the economic spectrum to shoulder their fair share of the cuts in this budget and to provide Canada with a balanced budget because I think that it is very important. There is nobody on this side of the House who would disagree with a balanced budget. The difference is the political priority and the priority on the other side of the House is to take the money from the poor, the people who can least afford it, and leave alone the friends of this government. The time has come for this government to share the cost of reducing the deficit in this country and share the cost with its corporate friends, its wealthy friends and not load the burden, yet again, on the poor in this country.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I would like to address some remarks to my colleague. I come from Surrey North, which is the fastest growing municipality in all of Canada. If the hon. member has followed any of the news from the lower mainland in the last several months, she will know that there is a tremendous crisis facing the acute and chronic medical care sector in the municipality of Surrey.

Surrey is growing, not only because it is a bedroom community but it is absorbing population from the rest of Canada, people who are coming to British Columbia because of increased job opportunities. This government chooses to limit that province in terms of the Canada Assistance Plan. The government is reducing its transfer payments which is going to put tremendous strain on the province's ability to develop the types of medical care services which are necessary.

At the present time, Surrey hospital has a bed shortage of 400 beds. Since 1971 the ratio of beds to the population has gone backward instead of forward, as it should have, simply because of the increase in population. In addition, some beds which might be available have not been opened because there are no operating funds.

There is a whole series of problems that are facing particularly the urban fast-growth areas like the hon. member's riding and my riding, where because of the lack of funding from the federal government, the provincial government has simply balanced its budget by pushing the cost savings down to hospital societies, school boards, local municipalities, cutting back on welfare services and cutting back on services to the poor. They learned years ago that what this federal government is doing is sloughing off its budgetary problems by reducing the funds to provinces. Years ago, the provinces decided to cut down funding to school boards and hospital societies.

With this type of reduction in transfer payments, what does the member think are the prospects of Surrey Memorial Hospital or similar hospitals getting the necessary funding to solve the 400 bed shortage it has and to adequately staff the beds that they have now?

Ms. Langan: Mr. Speaker, I believe very strongly that the prospects are very poor, especially when one looks at the attitude of the government in British Columbia, which has been one of withholding and one of not addressing the chronic problems. In fact, in British Columbia, we have just seen a situation in the hon. member's own riding where there are more students in

portable classrooms than many school districts in the province. That is how rapidly that riding has grown.

In fact, the kind of reaction that we are getting from the provincial government is a fancy, smoke and mirrors kind of funding formula for the school board and that is the same kind of fancy, smoke and mirrors funding formulae we see in the area of housing, health care, social services, and just about every other area that is encompassed in people's services.

I would suggest to the hon. member that, given the track record of the provincial government in British Columbia and given the track record of this federal government, the opportunities and the hopes of Surrey Memorial Hospital are pretty slim indeed.

• (1600)

Mr. Jim Karpoff (Surrey North): I would also like the member to comment on the question of child care. Last year when the federal government announced it was withdrawing its much vaunted child care program it said: "Don't worry, be happy. You've got the Canada Assistance Plan. You can expand your day care programs, your child care programs in an unlimited way under the Canada Assistance Plan, so be happy, don't worry, there is no problem".

Now it comes along and says to provinces like British Columbia: "Oh, no, you can't use the Canada Assistance Plan to expand child care services to meet the crisis that has developed in the province". What, pray, can the provinces do to meet this? How do they get out of this double bind when the Conservatives one year tell them to use the Canada Assistance Plan and the next year that it will cut it off?

Ms. Langan: Mr. Speaker, again I would like to thank my colleague.

The use of the Canada Assistance Plan for child care has been very limited, to say the least. What we find ourselves with now is a capping of the fund that is being used, not for child care spaces, not to put children in safe care but in fact funding to do yet another study here and another study there. If child care centres which desperately need capital funding, operating funding or a supplement to that can be creative enough to propose a study program that will fit within the guidelines that will maybe give them a little help in running their child care centre, then those centres can count on something. Yet even those funds are being cut. The Minister of National Health and Welfare has consistently said in the House in response to questions from me that in the mandate of this government we would have greatly expanded child care.

At the same time he has also risen in this House and said: "I am going to do more studying". I will again say to members on the other side of the House that if one were to go and make a visit to the Library of Parliament, which is behind this Chamber, one would find the shelves collapsing under the weight of child care studies. What we need in this country is child care programs, not child care studies. We need child care spaces for children who are not being adequately looked after. This budget does nothing to address that.

Mr. Joe Fontana (London East): Mr. Speaker, I am privileged to stand in this House and address the question of the budget.

This budget is a blueprint, I suggest, to social and economic disaster. This budget, along with past budgets puts this country on a road that leads nowhere, a road that no one wants to travel except this government.

This budget is not only bad for what it does, but is even worse for what it fails to do. Instead of challenging our people, it penalizes them. This government is turning the future not into a promise but into a nightmare. This government through successive budgets, including this one, is dismantling our country as we once knew it, piece by piece, region by region, sector by sector and person by person.

National programs, national institutions, national services, national partnerships and national commitments are either gone or quickly going. I am afraid that the word "national" may never be found in our dictionary again. If we continue down this road we have to be afraid for our country as we know it.

The latest victim in this budget is the Canada Assistance Plan. As we know, the Canada Assistance Plan is the major vehicle by which the federal government and the provincial governments, along with the municipalities, deliver services to people in this country, services such as post-secondary education, health care, day care and other needed services for our people.

Yet this government again sees fit to essentially forget about the historical significance of this country, to forget about the historical partnerships and agreements that have been set up with other provinces because

essentially it wants to take its responsibility and shift it to other levels of government.

There are a number of things in this budget that I could speak on, but I want to devote some of my comments to our national commitment on housing or, better put, the lack of, in this budget. The homeless after this budget was presented were not comforted by what was in it. Young working families wishing to buy their first home were not comforted by what was in it. Young single parents looking for affordable housing were not comforted by what was in this budget. They are disillusioned because this government has failed to show some vision and compassion with respect to the housing crisis in this country.

Every weekend when I return to my riding my constituents ask me why the cost of a home in London has risen by over 55 per cent since the Tories took power in 1984. They want to know why millions of Canadians cannot afford their first home. I want to know what the Minister of Finance tells his Etobicoke constituents when they ask him why housing prices in that riding have jumped over 100 per cent in the past five years since his party has been in power.

I want to know how the Minister of Finance explains that increase when the price of a home in his riding rose only 4 per cent in the three years prior to him becoming the Minister of Finance. These astronomical increases in housing prices have occurred all over Canada, from Vancouver to Montreal. But the problem is not limited to large urban centres.

Across Canada the average price of a new home is expected to reach $151,900 in 1990. That means that the average Canadian family would need an annual income of $65,000 or more to reach for the Canadian dream of owning their own home. But in 1988, the average family income was only $46,185. That means that family incomes and salaries must increase by 40 per cent this year before the average Canadian family can own the average Canadian home.

These figures are a clear indication of Canada's growing housing crisis. More and more, Canadians can no longer afford to buy their own home. Rents are rising higher and the cost of shelter is taking up more and more disposable income.

Rather than addressing the problem the federal government is part of the problem. Rather than introducing measures that encourage the construction of affordable housing this government taxes new housing, especially under its new grief and suffering tax, the goods and services tax. To make matters worse, this government has cut spending on social housing by 15 per cent in this budget in the year 1990.

This is not the first time that the Conservative government has cut funding to housing programs. It is ignoring the 1.3 million families living in inadequate housing in Canada. Instead, the Tories have implemented a policy consisting of cutting programs and hoping that the growing housing crisis will just disappear. It is impossible to make 1.3 million families disappear.

At least 50 per cent of all single parents in Canada are raising their children in unacceptable housing conditions. At least 40 per cent of all seniors in Canada spend their final years in squalor.

There are 1.3 million tenant households that must spend over 30 per cent of their incomes to pay for shelter. Even more astounding is the fact that there are over 600,000 families in Canada that must spend more than 50 per cent of their income on shelter costs.

• (1610)

The Minister of Finance admitted in his budget speech that the cost of housing has increased about 10 per cent each year. In some areas, such as Toronto, the price of a home has doubled in just four years. The cost of rents has matched these increases and jumped at an incredible pace.

With house prices rising in the last 10 years, housing construction has focused mainly on luxury homes and condominiums. Home builders have no incentives to construct affordable housing. In fact, governments at all levels impose barriers toward the building of affordable housing. The supply of affordable housing has decreased dramatically in urban centres during recent years.

Rooming houses are being closed. Affordable units are being converted and older downtown neighbourhoods are being renovated for a more upscale clientele. The poor are forced to move, but where can they go? Private developers build for the most lucrative markets, the middle and high ends. There are no incentives for them to build what is needed most—affordable housing. The government must work with the private sector, not against it, to bring onstream affordable housing. High interest rates, taxes, red tape, lengthy delays and redun-

dant regulations are not the answers to our housing problems.

Rental apartments represented just 17 per cent of total dwelling starts across this country in 1988. New private rental construction has virtually disappeared in some centres. While the need for affordable housing has increased at an alarming pace, this government has taken the opportunity to abandon its responsibility.

Here is this government's pathetic record. Just two months after it was elected in 1984, it cut the Residential Rehabilitation Program by $29.4 million and the social housing budget by about $9.6 million. By 1986, RRAP was cut again, this time in half. During this same period total grants and contributions from CMHC would fall by $400 million on an annual basis. The 1989 budget saw the elimination of the rental component of the RRAP program. The government thereby removed essential assistance to landlords to upgrade their properties. Much of the funding for this program went to maintaining our older buildings. Loss of these funds will only hurt the poor, taking away their last source of adequate housing and pushing them into unacceptable living conditions.

In 1986 this government said it was dedicated to supporting social housing. It launched a program to build 5,000 co-operative housing units each and every year. But after three years of failing to meet its commitment, it cut the co-op housing program by 25 per cent, and only 1,900 units were built in 1989. Yet the waiting lists get longer and longer and longer.

What kind of housing program does this government have to offer the 54,000 people in Ontario who are on waiting lists for co-operative or non-profit housing? What government programs are in place for the 14,000 families in Montreal alone who are waiting for public housing? What government programs are in place to help those people in Vancouver, Halifax and even London, Ontario, who are waiting for affordable housing?

Housing costs have increased each and every year at rates higher than inflation, but spending on social housing has been cut by this government time and time again. It has fallen almost 20 per cent in the last five years compared to the 1980-84 period.

The Conservative government has been eliminating the housing programs that are most desperately needed at a time when they can do the most good. This government has again cut the desperately needed funds for social housing in this budget. This means that the 54,000 families in Ontario and the 14,000 families in Montreal will still be on waiting lists for public housing.

The Acting Speaker (Mr. Paproski): I regret to interrupt the hon. member but his time has expired. Are there questions or comments?

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the hon. member in his very capable speech indicated some of the nastier cut-backs that the government has imposed on the Canadian housing industry. It is unfortunate that the former minister for homelessness is not here in the House—

The Acting Speaker (Mr. Paproski): The hon. member should know that he should not indicate whether the minister is here or is not here. He knows that he should not do that. I will not dwell on it.

Mr. Milliken: I simply indicated it because I hoped that he would have been here to hear this comment. I know he will read it later in *Hansard*. I know he is concerned about the housing crisis in Canada, although he is part of a government that has done less than nothing about it.

I wonder if the hon. member for London East would be able to comment on the list of cut-backs that the government has imposed on housing. I know he got through some of them in his speech, but I am sure there are more. Perhaps he could provide the House with a list to simplify the matter for people who want to understand exactly what the government has done.

Mr. Fontana: Mr. Speaker, I thank my colleague for that very germane question.

The list is so lengthy that perhaps, Mr. Speaker, you might have to get up on your feet and tell me that my time has expired again. Let me tell you that from 1984 to 1990 every successive budget, every successive action of this government has been to cut social housing programs.

I do not have to tell any member in this House that in their communities the waiting lists get longer and longer and longer. It is unfortunate that the government has a Minister of State for Housing for there is no national housing policy. In terms of programs this government is

virtually transferring its responsibilities once again from itself to the provinces and in turn to the municipalities.

This country, through its Canada Mortgage and Housing Corporation, has been at the forefront of housing. Since 1984 this government has seen fit to essentially not take its responsibility for social housing very seriously.

On the other hand, it should be noted that this government has taken away the dream for those would-be new homeowners to own their first home. How has it done that? It has been done by not understanding that the average person who wants to buy that first home needs to be encouraged by their government. It needs to put in place programs that will allow them to buy that first home so that they in turn can put their blood, sweat and tears into that home and allow the equity to take care of itself.

Mr. Speaker, I can tell you that people who in turn have to pay rent are not going to be comforted by this budget whatsoever. As I said, over 1.3 million families in this country need assistance. They are paying more than 30 per cent of their incomes toward a basic essential of life.

We are prepared to work with this government to put in place those necessary housing policies to address the very serious question and a very serious housing crisis that we have in this country for the homeless and others.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are over.

Before giving the floor to the hon. member for Nunatsiaq, pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Algoma—Agriculture; the hon. member for St. Boniface—Tiem Canada; the hon. member for Burnaby—Kingsway—Human Rights.

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, this budget is a brutal blow to the north and to the aboriginal peoples throughout this land. There is no comfort for northerners in this budget at all.

"No new taxes," says the Minister of Finance. What a sham. What deception. Northerners know how many times this government has increased taxes since it was elected in 1984—32 times. The big one, the goods and services tax, is right on the horizon. This budget is counting on the revenues from the goods and services tax.

Further, by cutting transfer payments to the provinces for health and education the federal government is forcing the provinces into increasing their taxes. If there is a funding shortfall, the provinces will have to make it up. There will likely be new provincial taxes.

• (1620)

Increased provincial taxes affect the northern territories under the terms of the federal formula financing arrangements. Under these arrangements, imposed arbitrarily by the federal government, the two northern territories will have to increase their taxes if the provinces increase their tax rates. They will either have to raise their own taxes or face a reduction in their annual operating grant.

Increased taxes, whether caused indirectly or directly by the federal government, are new taxes. We know who is responsible; it is the federal Minister of Finance.

The minister cannot escape the fact that by ordering the cut-backs he is just as responsible as those who have to implement the cutbacks.

The current federal government has already cut back on the funding it transfers to the two northern territories. Yukon's transfer payments have been reduced by $9 million this fiscal year, by $12 million next year and by $20 million the year after next. The Northwest Territories has been cut back by $110 million over the next five years. The effect in the Northwest Territories in this fiscal year is a reduction of about $25 million.

According to the N.W.T. government, these cutbacks jeopardize the territorial government's ability to stimulate the economy. The Northwest Territories finance minister has called the federal action a disincentive to economic growth. He went on to say:

> The timing of the federal announcement couldn't have been worse. It comes at a time when there are a lot of critical economic and social

issues to resolve in the Northwest Territories, each of them requiring substantial financial investment.

Under the new formula, Ottawa expects the government of the Northwest Territories to increase territorial taxes until they reach and remain consistent with provincial levels. If the territorial government does not increase its own tax effort at the same rate as the provinces, its projected annual operating grant from Ottawa will be reduced.

I want to repeat that these funding arrangements were not reached by agreement. They were imposed by the federal government on the territorial governments.

Also impacting on the north in this budget is the elimination of the Canadian Exploration Incentives Program, which will affect mining exploration. While not as helpful as the flow-through shares program, which was cut two years ago by the current government, it is still a loss.

The north is sick and tired of having to pay more for less. Since 1988 this government's miserly feelings toward the north have been creeping out from underneath the camouflage of concern it has tried to maintain. All the rhetoric about being concerned about the north is just that—rhetoric.

If this government truly cared about northern people, would it have cut back on the subsidy to the Canada Post food mail program to remote northern communities? The Minister of Finance boasted in his budget speech that Canada Post turned a profit. He also said he wants Canada Post and other profitable Crown corporations to turn over more of their profits to the government in the form of dividends. He said that this is to contribute to deficit reduction.

Because of the current government's actions my constituents now have to pay $5 for one litre of milk so that the government can pocket more of the profits of Canada Post. This government is taking food out of my constituents' mouths so it can put more money in its pocket.

If this government truly cared about northern development, would it have cut back the transfer payments to the territorial governments? If this government truly cared about northern and aboriginal people, would it have cut $100 million over the next two years from the Department of Indian and Northern Affairs? Would it have eliminated funding for aboriginal newspapers and cut back on other aboriginal communications? Would it have slashed the funding to aboriginal political organizations? Would it have cut back social housing funds, health funding and legal aid?

This government's obsession with the deficit has blinded it to certain fundamental realities. Yes, we must reduce the deficit, but we must not do so at the expense of the poorer elements of society.

What good purpose is served by cutting funding to the aboriginal communications societies? The government is totally eliminating the native communications program, which had funding of $3.4 million last year. It is cutting back on the northern native broadcast access program by 16 per cent, or $2.2 million.

With these actions, it is causing the death of eight aboriginal communications groups and mortally wounding another seven. The National Aboriginal Communications Society estimates these cut-backs will mean a loss of 100 jobs.

What do these cuts mean for northern aboriginal communications? For the Inuvialuit Communications Society the elimination of the native communications program means a loss of $106,000. With those funds the Inuvialuit Communications Society produces a monthly newspaper for Inuvialuit called *Tusaayaksat*. The cancellation of this funding means the death of this newspaper.

The 16 per cent reduction in the northern native broadcast access program means a loss of $105,600 to the Inuvialuit Communications Society. These program moneys are used to produce an award-winning television program, *Tamapta*. The production of this program will now have to be curtailed.

These cut-backs will lead to lay-offs. The Inuit Broadcasting Corporation is going to lose about one-quarter of its funding. It will be cut by about $600,000. The Inuit Broadcasting Corporation will lose up to $400,000 from the northern native broadcast access program. Under this program the corporation produced such series as *Takuginal*, a children's program, and *Takuyaksat*, the award-winning series from Baker Lake.

The elimination of the native communication program funding means a loss of about $215,000. These program moneys are used to produce drama, including the popular *Super Shamou* series.

The corporation will have to cut down on its air hours and close down part of its operation. Staff will have to be laid off in Ottawa and the northern production centres. Throughout the country the story is the same.

The national media do not cover aboriginal issues the way aboriginal people would like them covered, nor as often, nor as in depth as aboriginal people would like. The national media cannot cover these issues from an aboriginal viewpoint. Furthermore, they cannot communicate these issues in the aboriginal languages. Pulling the plug on aboriginal communications is an attack on aboriginal culture.

For the same reason that the CBC was established—to counter the magnetic pull of the American culture—aboriginal media were established as a counter force to the overwhelming dominance of non-aboriginal Canadian culture with its two official languages and multicultural mosaic.

How many Canadians know that there are 53 aboriginal languages in the country? How many Canadians know that these languages are dying? Only three of the 53 aboriginal languages in this country have a good chance of surviving into the next century. These languages were spoken throughout this country for hundreds of years prior to the arrival of the European explorers and settlers. Yet many are in danger of extinction and a major battle has to be waged against their loss. In that battle for cultural and linguistic survival, aboriginal people need the federal government as an ally and a supporter, but the government has turned its back on aboriginal people.

The federal Department of the Secretary of State spends only $1 million a year on an aboriginal language programs. Compare that to the hundreds of millions spent on the two official languages. Even heritage languages, the languages spoken by most recent immigrants, receive more money than the original languages of the first people.

While I am not speaking against the funding of these other languages, I am saying that the government has to give priority to the survival, preservation and enhancement of aboriginal languages.

In this budget not only is the government not providing this critical support, it is cutting off the means for aboriginal people to communicate in their own languages with their own people. Quite simply, the government is contributing to aboriginal cultural demise.

Aboriginal people in this country want to know why the government persists in widening the gap between the rich and poor in Canada. They want to know why the government is cutting programs that need catching up. They want to know why they have to pay with the loss of their jobs when big corporations in this country do not pay their fair share of taxes. They want to know why they are being asked to pay with their culture and language when the socioeconomic gap between aboriginal and non-aboriginal people in this country is still so great.

Aboriginal people in this country are paying with their lives for the government's lack of attention to the health, education, employment and economic needs that exist.

• (1630)

Aboriginal youth are killing themselves at six times the rate of non-aboriginal Canadians. Aboriginal babies die in greater numbers and their health, when they do survive, is much poorer than non-aboriginal Canadians. Aboriginal people live 10 years less than the non-aboriginal Canadian.

The government sheds crocodile tears for aboriginal people, pretending that it really matters or it really cares, but these phoney tears are not going to rebuild the shattered lives and broken dreams and hopes of the aboriginal people, abandoned again by a government which is hostile to aboriginal aspirations and is as bent on aboriginal subjugation as the earlier colonial administrations.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I would like to commend my colleague for Nunatsiaq for his good presentation. Perhaps I could have the hon. Secretary of State's attention for one second. My colleague referred to the native communications program and the northern native broadcast access program. I would like to ask him how these two programs served very specific purposes in the north.

Mr. Anawak: Mr. Speaker, I would like to point out some things that have been misrepresented or misunderstood by many Canadians in terms of the funding cuts to certain aboriginal organizations.

First, the hon. Prime Minister pointed out earlier that there were no cuts to the aboriginal funding of the Department of Indian Affairs and Northern Development, as did the Minister of State for Multiculturalism. There are no funding cuts to the Department of Indian Affairs and Northern Development budget only because it is legislated. The government has to raise the funding programs because they are either for reservations, for education, for other mandatory programs, health and land claims. That is the only reason they they are going up, because they are legislated into the law.

Other programs like the native broadcast access program and the communications program have been cut and are being eliminated over the next six months from April. Aboriginal newspapers—such as the Native Press from the Western Arctic—are either going to be shut down or are going to be very hard to operate after April because the funding is being cut. That newspaper serves the aboriginal people in the Western Arctic. There are others all across Canada that serve the aboriginal people in Canada. They are the means for the aboriginal people to learn more about what is happening across the north or across Canada in the aboriginal society.

I think you have to realize that cutting the funding, especially this year being the International Year of Literacy, is a very great disservice to the first people of Canada.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are now over. Debate. The hon. member for Joliette.

Mr. Gaby Larrivée (Joliette): Mr. Speaker, I welcome the opportunity to speak in this debate on the Budget, especially after what our colleagues opposite said about incredible cutbacks by the government and what this government has done. And especially after what my hon. colleague just said about cuts at Indian Affairs. I find that rather surprising, because last night, I heard Liberal leadership candidates answer a question about what they would do about Canada's debt if they came to power. They all said they would cut government spending. And today, they say the government should not make any cuts. Mr. Speaker, the Minister of Finance pointed out that since 1984, our government has been following a consistent and comprehensive plan to ensure that Canadians can benefit from a rising standard of living and a quality of life second to none in the world. This plan had two major thrusts: first, to put the government's financial house in order, something that had not been done for many years; and second, to foster a dynamic, innovative and competitive private sector. The main challenge, of course, was to regain control of the country's finances. The previous administration's legacy consisted of a monstrous national debt. The government's program spending was out of control, and we were faced with an operating deficit unprecedented in this country's history. In fact, fiscal year 1984–85, the year we took over, ended with a total deficit of $38 billion, of which $16 billion represented the shortfall between revenues and program spending. This was in addition to the cumulative deficit built up during the 20 previous years.

To give you a better idea of the size of the problem, the successive deficits incurred in the 10 years previous to this administration show the disastrous progression of our debt. I think it would be useful to look back, to see where it all started and what the result was. At the end of fiscal year 1974–75, the deficit was $25 billion. The next year it was up to $31 billion. By the end of 1976, the deficit was $37 billion; the year after, $48 billion. By the end of 1978–79, we were up to $60 billion. The year after that, we were up to $72 billion. By the end of 1980–81, it was $85 billion. Not bad! The government was rapidly losing control. By the end of 1981–82, $100 billion, but that wasn't enough, and by the end of 1982–83, it was $128 billion. By the end of 1983–84, it was $160 billion, and by the end of 1984–85, the last fiscal year under the previous administration, we had a cumulative deficit of $199 billion, Mr. Speaker.

Mr. Milliken: What is it now?

Mr. Gauthier: Yes, what is it now?

Mr. Larrivée: I will tell you where the deficit is now.

Mr. Gauthier: You doubled it.

Mr. Larrivée: And I will tell you about your debt, the $200 billion debt you left us in 1984–85. I suppose you knew that when you borrow money, you have to pay interest. Everybody knows that borrowing involves

paying interest. And before you borrow, you make sure you can meet your payments.

• (1640)

And now going back to the Liberal legacy of $199 billion at the end of the 1984–85. The Government of the day had therefore completely lost control over its spending and, as I said earlier, seemed unaware of the impact interest payments on its huge indebtedness would have on future administrations.

The interests which the Government must pay on this debt—I hope my colleagues opposite are listening—account for the deficit of some $30 billion which it has declared year in year out since 1986. Without this debt, Mr. Speaker, Canada would have no deficit and could even declare a surplus. In other words, we collect enough taxes to pay for absolutely all the services provided by the Government. Our deficits only represent the interests on the debt. Which means that the operating deficit of $16 billion in 1984–85 was eliminated when we took over. The very first year, the Minister of Finance showed enough restrain to achieve a reduction in expenditures in real terms. Since then, the increase has varied between 2 and 2.5 per cent, a significant change compared with the previous years.

Our friends opposite are blaming us for allowing the national debt to grow to apocalyptic proportions. It is like the pot calling the kettle black. We are forced to pay the interests on the debt which the Trudeau Government accumulated during its last ten years of tenure and that is the reason why we must continue in this direction and keep the situation under control. As future progress will be seriously compromised by inflationary economic pressures, we feel we must continue to limit public spending, something for which we need the support of all Canadians. Interest payments on the national debt are still the main component of our deficit and these budget measures will enable us to cut it down to $28.5 billion next year. By maintaining our program we expect to reduce the deficit to $14 billion over the next three years and to $10 billion in the fifth year. This means that in five years the government will begin to buy back its outstanding bonds and treasury bills and that the country will be well on its way towards a significant reduction in the national debt load.

The lower deficit will contribute to reduce inflation and that in turn will bring interests down. This is something for which the opposition parties have been clamouring for quite some time, but then it is due to the problems they left us with. A reduced deficit will make Canada less reliant on foreign lenders, thereby shoring up our national independence.

Canadians made it quite clear in recent months that they expected lower public outlays rather than higher taxes. Their message got through to the Minister of Finance and this is why his latest budget reflects this new trend.

The two-year expenditure control program will affect all areas of government spending, excepting of course income support programs for seniors, families and veterans as well as unemployment insurance and the equalization program and the Canada Assistance Plan payments to lower-revenue provinces.

The growth of expenditures for some programs will be capped at 5 per cent for the next two years. These programs relate to science and technology as well as to native and Inuit people. Opposition members describe this as a catastrophe, yet expenditures will rise by up to 5 per cent.

This applies as well to the Canada Assistance Plan for the provinces that do not receive equalization payments and of course also to defence and official development assistance.

Some programs will be frozen for two years. These programs concern established program financing per capita, tax transfers on the income of utilities, the Canadian Broadcasting Corporation, Telefilm Canada, the Export Development Corporation and Marine Atlantic.

Some programs were reduced like the Department of the Secretary of State, small craft harbours and the Canada Mortgage and Housing Corporation.

We also eliminated some projects such as OSLO, for the oil sands in northeastern Alberta, a saving of about $650 million, the Polar 8 icebreaker project, for a direct saving of $84 million in 1990–91 and $62 million in 1991–92.

We also eliminated the mining exploration incentive program. This measure should save us $50 million in 1990–91 and $125 million in 1991–92.

Some management initiatives will be proposed for the sake of better expenditure control. Stricter conditions will apply to the repayment of financial aid given by the federal government to business; such aid will no longer be in the form of outright grants.

The government will continue with its objective of privatizing companies where its presence is no longer necessary.

In keeping with this objective, we will sell our shares in Telesat Canada, Nordion International Inc. and Theratronics International. We will privatize Petro–Canada. This will be done over a period of five years.

A number of Crown corporations and agencies will be wound up, including Canada Harbour Place Corporation, Canadian Patents and Development Ltd. and the Canadian Livestock Feed Board.

Finally, in addition to the initiatives announced last December, which are expected to contribute $2.8 billion in savings over the next five years, a number of further initiatives are contained in this Budget. They are designed to reduce the cost of government and improve management efficiency.

In all, these measures are expected to save $2.8 billion in 1990–91 and $3.3 billion in 1991–92. Taken together with the spending reductions and management improvements announced in December 1989, the fiscal savings total $3 billion in 1990–91, and $3.8 billion in 1991–92. Over the period from 1990–91 to 1994–95, the cumulative fiscal savings will be well over $19 billion.

Mr. Speaker, this Budget meets the expectations of Canadians. It provides for reducing the federal deficit in an intelligent manner and does not contain any new taxes, at the request of Canadians.

Of course, implementing this expenditure control plan will require patience and understanding on the part of all Canadians, and perhaps especially those who are more directly responsible for the situation facing us today and who so far have kept demanding all kind of increases. They should not forget what Canadians experienced during the 80s when they were faced with spiralling inflation. We cannot afford to bring back the despair, loss of confidence and personal problems caused by interest rates of 20 per cent or more that materialized as a result of this inflationary spiral.

So many businesses had to close down because they could not afford the exorbitant cost of financing stagnant inventory. So many Canadians lost their jobs as a result. So many Canadians lost many years worth of savings invested in their homes when they could not afford mortgage rates of close to 25 per cent. Many Canadians will never forget that time, and that is why today, Canadians are better able to appreciate why we have to deal with inflation and the deficit and do it now. It means providing a sound basis for a secure and prosperous future.

• (1650)

To achieve this, we must follow a clear plan of responsible fiscal and economic policies to reduce inflation and create a better climate for lower interest rates.

In his Budget, our Minister of Finance continues to do, not what is easy or popular but what is right for the country.

Mr. Gauthier: Mr. Speaker, I appreciate that Tory members have to defend their Minister of Finance, but by sheepishly saying that he was doing his best they are only trying to discourage anyone from attempting to find out what this Budget is all about.

First, this Budget is a complete sham, and the Minister seems to be abdicating his responsibilities and transferring to the provinces the burden of the debt.

By passing the deficit on to the provinces, the Minister will hit the poor and the less privileged in Canada. He will also be hitting education programs which, as we know, benefit from transfer payments to the provinces from the Canadian Government.

The Minister of Finance, whom the hon. member is supporting, pushed interest rates up. Since 1988 he has been pushing interest rates up to an unbelievable level. As we know, those interest rates further increase the national debt, something I submit he acknowledges when he quite clearly recognizes that he has been doing extensive research on the level on the national debt over these last 10 years, and he agrees with me that since this Government was elected, four or five years ago, they have increase the debt twofold from some $150 billion to the current $300 billion.

I would like to ask the hon. member whether the interest rates he is justifying so well or so badly will not, in his constituency as everywhere else, have devastating effects on small business loans, on housing he certainly supports as any good member, and if finally the interest rates Canadians have to pay now, nearly 15 per cent for

consumers, and this is no joke, 15 per cent interest now, when the prime rate is at 13.50 to 13.75. Mr. Speaker, I suggest the hon. member will realize one day that he has to stand up and speak for the average citizens he is representing.

Interest rates are much too high, and what does he do? He supports the Minister of Finance. Well, Mr. Speaker, there are lost causes and this may be one.

I would ask the hon. member what he has done recently to try and convince the Minister of Finance to lower interest rates to a level that might be 2 or 3 percentage points above the American rate, but not 5. Canada cannot compete with a country such as the United States when our interest rates are 5 percentage points above theirs.

So here is my very simple question: What did he do personally to help lower interest rates that are now destroying the Canadian economy, that will lead us down the road to disaster, that is the impending recession?

Mr. Larrivée: Mr. Speaker, I thank my colleague for his question. I think that it is very relevant. He mentioned that I built my argument on debt statistics for the last 10 years, and he said so again. I have been a member of this House for a little over a year, Mr. Speaker, and the same point always comes up: We doubled the debt.

Now my colleague did not follow my whole speech. I explained to him why we were now at around $350 billion. Mr. Speaker, I said why and I think it is elementary that when you borrow money, you must not only plan to pay it back but also plan to pay the interest. It is not given away.

My colleague should explain to us how they were able to borrow year after year such large amounts to finance current operations, which shows very poor management, without planning— Because when he says that we doubled the debt, I suppose that he is accusing us, that he is charging us for the interest on their debt. That makes no sense, or rather it can be explained. When the debt has reached such a point and there are no plans to pay it back, it is quite normal to have such a question and to pass the burden of the interest on the debt to the government in power. Yet, Mr. Speaker, in all our efforts, we must maintain a policy of high interest rates for the simple reason that we are faced with enormous expenditures that must be limited to bring down interest rates which the Bank of Canada is now using to fight inflation.

My hon. colleague should have thought—it maybe too late for them, much too late—but they should have known, having lived through this experience, that by not controlling inflation, by maintaining interest rates at a lower level, and by allowing inflation to rise, they eventually lost total control over a running away inflation.

Mr. Speaker, I would rather support the Minister of Finance interest rate policy rather than have a recurrence of the disaster we faced in 1981–82. My hon. friend should have listened when I mentioned the hardship that situation caused to all Canadians. A great many businesses went under because they could not live with interest rate approaching 25 per cent. A great many Canadian men and women lost their houses because having to renew their mortgages on their house with interest rates as high as 25 per cent, thereby losing their lifetime savings.

An Hon. Member: You must be kidding!

Mr. Larrivée: I understand that I must conclude, and I am sorry to do so referring to hard times we would not want to experience again. And the Budget introduced by the Minister of Finance will eventually solve all these problems.

Mr. Gagliano: It does not solve anything!

[*English*]

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Prime Minister on a very short question or comment.

Mr. Gustafson: Mr. Speaker, just a very short comment. I recall being elected here in 1979 when the deficit was $68 billion. The Minister of Finance then appointed was the present Minister for International Trade. He proposed "short term pain for long term gain". Canada said no. We got four years of Liberal government and the deficit rose to $220 billion.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Cochrane—Superior.

Mr. Réginald Bélair (Cochrane—Superior): Thank you, Mr. Speaker, for giving me the opportunity to take part in the budget debate. On a national scale Canadians from coast to coast are questioning the financial policies

of this government and the economic situation we are facing. The picture does not look too good.

• (1700)

The public debt has doubled in the past six years of Conservative government. It has risen from $170 billion to $351 billion. In spite of massive tax increases and extensive spending cuts the deficit has continued to rise each year, from $28 billion in 1987–88 to $30.5 billion in 1989–90. The Tories have gone to the taxpayers 32 times for tax increases, either on income through sales tax hikes or through increased fees from government services.

During its six years in power the current government has boosted federal revenues by 70 per cent, from $70 billion in 1984–85 to an estimated $120 billion for the 1990–91 fiscal year. What use has the government made of all these increased revenues and saved expenditures. It certainly missed the opportunity to make meaningful reductions in the deficit during the last six years when we were experiencing world-wide economic growth.

The Minister of Finance has made his own five-year projection. What does he see in the future? He sees a deficit reduction to $10 billion by 1995. Also his calculations show that the net public debt will by then have increased to $452 billion. That is a $100-billion leap from the current total. According to his figures, four years from now Canadians will be paying $41 billion in annual interest on the national debt, precisely what it will cost us this year. Of course this is based on the assumption that the finance minister's calculations are correct. This may be a highly questionable assumption given his seriously flawed forecasting in the past.

For example, he forecast that short-term interest rates would average 10.1 per cent. In fact they have averaged 12.2 per cent which resulted in the government paying $6 billion more in debt charges than it had forecast. The assumption that the Canadian dollar would be stable and that interest rates would miraculously drop has also not materialized. The finance minister's current projections are tied to 9.5 per cent short-term interest rates. Private economists expect levels of at least 10.8 per cent. That difference would add at least $2 billion to the minister's deficit prediction.

On a more regional basis, northern Ontario, particularly my riding of Cochrane—Superior, has suffered repeated financial and economic shocks in the past year. Northerners have moved from one crisis to another. They have had to deal with many issues. The 15 per cent export surtax on softwood lumber has caused the closure of seven mills in small industry towns resulting in high unemployment. The reduction in air service to northern towns will affect the quality and level of services in the areas of tourism, disabled travellers, and people requiring medical services in the south.

The repercussions of the GST legislation will result in an increase in the cost of all goods because of the transportation service factor. The elimination of VIA Rail to many northern communities will impact negatively on the tourism industry. The elderly and the disabled who used to use trains because they were accessible and affordable will not be able to do so any more.

The hike in postal rates for commercial customers using the northern air stage network will further erode the purchasing power of natives. The tax benefit for northern and isolated areas is on the brink of extinction for 37 communities in my riding if the recommendation of the task force report is implemented.

The Canadian Incentive Exploration Program which was to provide incentives of $160 million for the exploration of minerals, oils and gas was recently eliminated after being introduced in 1988. Its cancellation today will serve a terrible blow to the mining industry.

The recent budget also took a swipe at the federal government's regional program in northern Ontario, FEDNOR, which provides specialized incentives for rural small businesses in logging, manufacturing, motel resorts, tourism, as well as professional services such as architects, computer and data processing services. They will now be moving in the direction of repayable contributions when new or existing businesses apply for assistance.

The north does not enjoy the essential services that urbanites do. The communities lack the medical, educational, recreational, cultural, and commercial services at

urban doorsteps. Almost all the incentives which encourage people to stay in the north are now being axed.

At this point, Mr. Speaker, I would like to direct your attention to the Department of Forestry for which I am the official opposition co-critic.

On February 23, 1990 the Prime Minister proclaimed the Department of Forestry as a full-fledged department and completed the inauguration with the swearing in of the hon. for Prince George—Peace River as minister. I would like to take this opportunity to congratulate the minister on his official appointment.

We now have a Department of Forestry and a Minister of Forestry but ironically a few days before the Prime Minister's announcement the forestry department's budget was slashed by 23 per cent or $47 million. This is incredible.

To add insult to injury, these cuts took place in one of the department's most sensitive areas: federal-provincial forestry agreements. For months we have been urging the government to complete the federal-provincial agreements which are absolutely vital to the viability of the forests in Canada and to the survival of the forestry industry. These agreements are the muscle of the department. Through them the minister can implement federal forestry policy, and he is able to negotiate with provincial officials from a position of strength. If we remove the financial support which came with the agreements, we do not have much left. It is quite evident that nothing has changed. The Minister of Forestry is in the same position as he has been in the last four years.

However Treasury officials have said, according to a report in *The Financial Post* of February 23, 1990, that this decline in funding is temporary. If and when new agreements are worked out with the provinces, more federal money will be made available through the department. With all these budget cuts one wonders if those funds will ever materialize.

As a member from the province of Ontario I am extremely concerned with the reduction of transfer payments to my province. Health officials are crying for increased funding in order to offer better services. Our educators are faced with having to pass on huge increases in school taxes just to maintain the actual levels of education: $365 million this year and $680 next year. This is shameful. Talk about passing the buck. The government is passing a big buck indeed. The federal government is passing its financial burden on to the backs of the provinces.

A few days ago I wrote a letter to the Secretary of State in which I said:

> I was shocked and disturbed, as were native communities across Canada, to learn that the $3.4M Native Communications Program (NCP) has been eliminated and the Northern Native Broadcast Access Program (NNBAP) has been cut by $2M.
>
> At a time when there is a resurgence of freedom on a global scale, the Government of Canada is slashing two programs which are vital to the linguistic expression of our native communities and which reflect their culture and tradition.
>
> Canadians are rapidly realizing the serious problem of illiteracy in our society. The native communities are no different. Their native language is an integral part of their legacy and without the operational funds from the NCP and the NNBAP, the survival of their language is in jeopardy.

Now, after painting a picture of bad economic times caused by this government, the GST is coming along to choke Canadians, and serve the final blow. This one Canadians will not forget.

• (1710)

[*Translation*]

Mr. Marin: Mr. Speaker, I listened very closely to what my friend and colleague from Cochrane—Superior has been telling us about a number of cut-backs. If I may, I should like to focus on the so-called cut-backs in the new Department of Forestry. Just a few days ago, royal assent was given to Bill C-29 to establish a federal Department of Forestry. The new department is the result of a promise made by the Prime Minister in 1984 when he identified the need for a full-fledged ministry, and of a government commitment to husband our forests. During fiscal year 1990-91 the department will give more, not less, support to forestry by spending an additional $4.5 million, for a total of $74.3 million. As my colleague pointed out, forests fall under the jurisdiction of the provinces and we simply cannot ignore that fact. The new department is getting organized and the minister does not spare any effort, particularly with respect to federal-provincial negotiations on a number of programs designed to maintain progress made under previous agreements on forest resources development. The 1990-91 main estimates cannot tell us anything about the outcome of these discussions, but they do indicate that several Economic and Regional Development Agreements are about to expire. This should not necessarily be

interpreted as leading to lower regular financial or human operational resources. Two agreements have already been ratified, one with Nova Scotia, $45 million on a 55 and 45 per cent federal–provincial basis, the other with New Brunswick, $91 million also on the same federal–provincial sharing ratio. As well, there was a $3.2 million amendment to the agreement with Newfoundland. Negotiations are continuing with all the other provinces and I can assure my colleague and friend that the federal government is prepared to put about about 55 per cent of the funds required to renew these agreements. These funds will be added to the estimates.

If I may, Mr. Speaker, I should like to read the announcement made by the minister. The 90s will present many challenges to the forest sector, and the new department will have a role to play in reconciling the recreational, environmental and social values of our forests. The forest industry ranks first among our various exports and it must continue to supply wood fibers while taking into account the other forest values not directly related to timber. The department is fully aware of Canadian public concern in that regard. I believe that with the members of the forestry committee, who are all interested in the future of this department, we will give strong support to the minister.

[*English*]

The Acting Speaker (Mr. Paproski): I did not hear a question there, but does the hon. member have a rebuttal? He has a minute left.

[*Translation*]

Mr. Bélair: First of all, I would like to thank my hon. colleague opposite for his question. Yes, the Department of Forestry finally saw the light of day after six years of promises. Now that it is here, there is a lot of equivocation. I think that, since 12 percent of forests have been cleared with no plans for reforestation and given the increasing number of confrontations between the industry and environmentalists, the government should intensify its efforts to bring them together.

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, I am pleased to take part in the budget debate this afternoon and I tell you that after a week spent in our ridings, everyone had a week off from Parliament, but I believe that we all worked in our ridings and met our constituents.

So, Mr. Speaker, this afternoon I would like to make a speech on what my constituents told me when we met and I must tell you that they have several concerns. Of course, those directly affected by the Budget are concerned about the cuts and all those who are not affected fear that they will soon be by this Minister of Finance. In general, we have a problem, namely the deficit and the national debt. There, I have decided to deal with it in a non–partisan way and maybe make a few suggestions and recommendations to the Minister of Finance and the government.

Mr. Speaker, if we look at the last decade, economists, business people, labour unions and politicans, like all of us here, had two points in common on the deficit and the national debt. The first is that their forecasts never came true from year to year and the second is that the deficit and the national debt are too high. I think that we have proof from this Conservative government which supposedly should have solved—It told the people that it would solve all the economic problems, but we still have those problems. It has not changed much and we saw in this Budget the cuts that it proposed just to come up with the same deficit forecast as a year ago.

Furthermore, there are as many solutions to these financial problems as there are economists, business people, unions and politicians suggesting them. My first question is therefore this: Is a Government elected to have a surplus or to serve the people who elected it? I thing we must answer this question. We are elected to provide the people with services. We need money to provide such services, but what would be the use of money if there were no people. Therefore, we must achieve a certain balance. To do so, as Canadians, we need both financial and human resources.

Let us now have a look at our country. Canada is a country which extends from the Atlantic to the Pacific and up North to the Arctic Ocean. Distances are enormous. Weatherwise, Canada is a cold country. Yet, it has an abondance of natural resources. Canada not only has a very small population, but its population is spread over huge distances. Although inhabited by various

ethnic groups, Canada is a predominantly Anglophone and Francophone country.

Compassion and tolerance are the Canadian way of life. In 1990, we have a deficit of approximately $30 billion. Has anybody wondered whether our human deficit is at least equal or perhaps greater than our financial deficit of $30 billion. I think that we should address this issue. Are 26 million Canadians enough to support our standard of living and operate our system as a democratic and modern society?

• (1720)

They keep repeating that our national debt is higher than that of the other industrialized countries. We don't have to go that far, Mr. Speaker. We can look next door, to the south. The United States has a per capita debt that is lower than ours, but its population is eight times as big. Its territory is smaller and its climate more temperate, it costs less to govern that country.

If our debt is too high, is our population a factor? If we had more people, our per capita debt would be lower. I mentioned achieving a balance, Mr. Speaker, and I think that is where a balance is required. We must not only consider fiscal solutions, we must also increase our population in order to achieve continuing economic stability.

Mr. Speaker, I realize I will not have enough time this afternoon to cover all aspects of how to increase our population, but since we are talking about the Budget, taxation and our financial problems, I would like to start by suggesting ways of controlling our annual deficit and reducing the national debt.

First of all, Mr. Speaker, the Government of Canada should change its accounting procedures. Our system of accounting is obsolete. Although, as a government, we ask taxpayers who are in business to produce a balance sheet for their company, the Government of Canada, does not produce a balance sheet in its annual report.

We have two types of transactions: revenues and expenditures. There is no accounting for capital investment.

For instance, when the Government of Canada created Petro–Canada, that year the amount spent was shown as expenditures. What did we get at the end of the year? Revenues minus expenditures: a deficit! In the government's annual report, Petro–Canada cost nothing. Nothing! Now that the government has decided to sell Petro–Canada, I think it is important to set the record straight, and I will get back to the matter of Petro–Canada and Air Canada later on.

Just think, Mr. Speaker, if business people had to draft their financial reports according to this system, the vast majority of our businesses would be in the red. And that is because capital investment occurring in the same year would be put down as expenditures, without accounting for the business's capital and net assets.

The Government of Canada, therefore, must produce every year a balance sheet with assets and liabilities, as Auditor General Kenneth Dye has been suggesting for the past three years. He had even developed and submitted to the Government a model of this balance sheet, but nothing came of it. I suggest it is very important to implement his suggestion.

Mr. Speaker, I feel that the accounting system should operate on this basis, in order to separate operating expenditures from capital expenditures. The cost of servicing the debt should be part of capital expenditures in order to plan and finance a long term reduction of the debt. We must develop a financial plan. For the past six years, we have seen the Minister of Finance re–adjust his forecast every year. We cannot solve our financial problems in that way.

Fiscal arrangements should be considered to reduce the debt. Some Canadians would be willing to pay a little more if they felt that their taxes would be used in part to reduce a debt which is increasing every year. That is what our constituents are telling us.

The current operating budget should take into accounts the political objectives of the Government and determine its policies. The Government should establish its objectives and set up a budget for services. But the whole issue of the debt and the servicing of the debt should be considered in a separate budget with specific policies to handle it.

The accounting system should be set up on this basis so that we can distinguish between operating expenditures and capital expenditures All Canadians they might understand better what the national debt means. The issue is really very complex even for experts, and I am

afraid we will have great difficulty understanding all the Estimates the Minister of Finance tables every year.

As I said, Mr. Speaker, servicing the debt must come under the capital budget to allow for the long-term planning of the debt reduction and its financing. The policies involving specific steps to tackle those problems must be understood.

Mr. Speaker, any project with long term market value should come under the capital rather than operating and identified budget. And the method of financing such a project must be specified and identified before it is approved.

Mr. Speaker, if it is decided to build another Museum of Civilization, if such is government policy and if it is determined that we need it, fine, let's do it. But we must determine how much this will cost, and how it is going to be financed, rather than always dip into the same purse. And then, when something is sold, the proceeds are put into the same purse, and at the end of the year the Minister of Finance tells us: "I reduced the deficit by $2 billion." In actual fact, he reduced nothing. As in this case, he did not reduce anything, he merely sold of one Crown Corporation.

Mr. Speaker, it is important therefore that we have a management system that is healthier, better controlled, visible and that citizens can understand.

I realize I am taking some time, but I want to make sure that Canadians and hon. members understand what I am saying, because if we really are to reduce the debt and the deficit, we must take the steps needed rather than the GST or other measures proposed by the Department and the Minister of Finance.

Increasing taxes will not solve the problem. In the end, revenues will decrease because Canadians no longer can afford new or higher taxes.

If the Government decides, under that accounting system to incur a deficit, that is their privilege. They are elected by the people and must be accountable to them. Therefore, they are responsible to the people who elected them, then this is very, very easy. What we are seing is that the Minister of Finance after six years in office is still blaming the Liberals, although we have not been in government for six years and the debt was increased by the Tories.

Earlier I heard the hon. member suggest: You cannot blame us for the interests we had to pay on the debt you incurred. Does that make any sense? None at all. The problems will not be solved that way. Propose solutions. In six years the Minister of Finance has not suggested anything new.

Mr. Speaker, another example is obvious. He has just suggested selling Petro-Canada but he did not say how or what he intends to do with the proceeds. He sold Air Canada. I would like to know how much he got for it. I think that company was worth something. It was not something to get rid of on a whim. How much money did the Canadian government get to reduce the deficit or even the national debt? Nothing! We had to give!

This government is so irresponsible that it gives away its assets. But, if we sell off our assets, we will be left with only the liabilities, which would create serious difficulties. It is therefore important and urgent to change our accounting practices before this government rips off the whole nation and leaves us in dire straits since we would not have any assets. That is what it did with Air Canada and other companies it has already sold and what it will do with Petro-Canada in accordance with its ripping-off policy.

I hope my colleagues from all sides of the House will understand the urgency and call on this government to accept the Auditor General's report suggesting a change in accounting practices and an annual assessment of the replacement cost of all government capital assets as in any business. They should draw up a balance sheet and from there propose policies to reduce the deficit and especially to finance the debt and reduce it, because that takes a long-term plan, as in any business.

Mr. Speaker, when you buy a house, you take out a mortgage and have a plan to pay it off. At present, the Government of Canada has no plan and I think it is urgent. If the minister is serious about wanting to solve the debt problem, he should develop a plan right away.

• (1730)

[*English*]

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I have been interested to hear members speak on the budget this afternoon. It is amazing to hear the difference in the speeches. Every opposition member has complained about budget cuts—how this budget cuts all the programs, complaining about budget cuts here and

budget cuts there. I have to say to myself, as I heard the comedian Yakov Smirnoff say: "What a country!"

I was in my riding last week. The hon. member for Calgary West and I had public meetings. Everyone said: "You gotta cut more. Get the deficit down. You gotta cut". They all tell me that.

Mr. Keyes: Everybody in Calgary says that?

Mr. Richardson: They all tell me that.

The member for Hamilton West has to come out. I invite him to come to the Calgary Stampede and to talk to Canadians who know what it is like to balance a budget.

I also heard the members talking about interest rates and questioning the finance minister's forecast for interest rates in the current budget. It was noted that last year's forecast was not as accurate as in previous years. I do not think any finance minister in any country in the world could have forecast the unpredictable interest rates of the past year.

An Hon. Member: How did they get there?

Mr. Richardson: Well, all businesses and financial institutions forecast interest rates. That is how they predicate their business for the upcoming year.

When I heard criticism of the finance minister's forecast of an 11.1 per cent interest rate over the year, I questioned that as well. I asked the finance minister how he came to that interest rate forecast. I also went to the 20 leading financial institutions in the country. The banks, leading trust companies and brokerage firms also have to do interest rate and economic forecasts across the country. I asked for the average prediction of those 20 leading financial institutions of Canada for the interest rate for the upcoming year. The average prediction was for an interest rate in 1991 of 11 per cent.

If members turn to their budget documents they will see that the finance minister, in fact, has given a very conservative estimate of 11.1 per cent. He is actually giving a higher rate than is forecast by all those leading institutions in this country which make their money in this game.

The government was elected six years ago with one vital objective—to get control of our nation's finances. This objective has had priority over all others because it must. I just listened to my colleague in the finance committee who understands the problem of the deficit. We do not always agree on how we arrived at that deficit, the $200 billion legacy left to us by the previous government. Any other objective cannot be considered, advanced or planned without first having the dollars to do it.

The environment needs cleaning up. We all agree to that. It cannot be done without money. It takes more than political will.

Our poor and unemployed need the tools and education to make themselves self-sufficient and productive. That requires more than sympathetic rhetoric. It takes dollars.

Our health care system is one of the best in the world. It cannot be sustained forever without an increasing amount of money. We do not have that kind of money any more. We are in debt up to our eyeballs. With this budget, we are finally able to stand on our tiptoes, peer over the mountain of debt that has been created by previous administrations, and see the future as prosperous and self-reliant.

Every homemaker, business person and every Canadian knows that they can only spend what they earn or they will go into debt. Eventually, that debt has to be paid. Everyone who has been in debt knows that to pay it off requires some sacrifices. With consistent and concerted effort the interest and principal can be paid off and the slate wiped clean.

In 1984 when this government came to office, it was clear that our financial situation was such a mess that there could not be any quick cure. The national debt was $200 billion and the previous government in the previous year spent $16 billion more on government programs than it collected. I would like to tell you just what that means. We came into office in 1984. Not only did they have a $200 billion debt that they had been adding to for the past 10 years, they also had expenditures away up here, built in, indexed expenditures and revenue way down here. That is the legacy we were left with in 1984.

First of all, not only did we have to bring that revenue up and hold those expenditures before we could have a balanced budget, after the mess we were left by the Liberals, we had to get to that point before we could start to pay off the national debt.

An Hon. Member: At 20 per cent interest.

Mr. Richardson: Exactly. They are racking up these revenues.

An Hon. Member: Where have you been for six years?

Mr. Richardson: I will tell you where we have been for the past six years. The member asks where have we been. Where we have been is getting Canada out of the hole created. It is not a quick cure. It took until 1987 for Michael Wilson to bring forward a surplus in the operating account of this government. As this budget shows, we have a continued surplus again, $9 billion surplus this year. By 1995–96 we will be able to attack the principal on the national debt.

Within three years we turned that operating deficit around to a surplus. This year the government will collect $9 billion more in revenue than it spends on programs, that is a $25 billion turnaround, a remarkable achievement in such a short period of time.

Having an operating surplus does not yet get us out of the woods. We still have an accumulated debt of $350 billion, the result of 20 years of deficits, the original $200 billion left to us by the spend-crazy former government, plus the compound interest on that debt. Indeed, 80 per cent of the increase in the debt since 1984 is accounted for by interest charges alone. That explains why despite a growing operating surplus, we have a $30 billion deficit this year. It is all interest.

For anyone in debt there are three choices: increase earnings, cut spending or sell assets. The government has used all three of these methods to make the substantial progress we have made to date.

In the 1970s and early 1980s revenues to the federal treasury were declining because of arcane tax rules, exemptions and loopholes, ad hoc tax cuts, the endemic flaws in the manufacturers' sales tax and the direct and indirect impacts of the 1981–82 recession.

In November 1984 we introduced measures that have increased revenues to the same levels, on average, that were earned in the 1970s. These measures have helped bring down the national deficit from $38.3 billion in 1984–85 to $30.5 billion in the 1989–90 budget, nearly $8 billion. Relative to the size of the economy the deficit has declined to 4.7 per cent of the GNP in 1990, a drop of 45 per cent.

We have increased revenues, not by gouging taxpayers but by cleaning up the system. We have made it fairer and more reliable. Implementation of the goods and services tax is a crucial part of this process. Our tax reform policies have worked. There is not much more that needs to be done on that front. That is why there are no new taxes in this budget.

This budget concentrates on spending cuts and decreases in government spending. This is neither new nor surprising. Getting spending under control is an integral part of eliminating deficits and giving us the flexibility to attack the debt.

In every budget year we have been in office this government has reduced spending and kept its growth in check. That is why we now have an operating surplus. Seventy per cent of the deficit reduction was achieved by government spending restraint. Only 30 per cent was the result of revenue increases.

The growth of spending on all government programs and services since 1984 has been kept well below the growth of the economy and the rate of inflation. The money used to meet the cost of the government's operations has been cut from $17.4 billion in 1984 to $16.8 billion today, despite a larger workload. The public service has been reduced by 12,000 person years to the same size it was in 1973, despite a 20 per cent increase in Canada's population.

People have said to me: "Well, that's fine. You tell me you have cut the civil service since 1984 and reduced the civil service by 12,000 people, but haven't departments just replaced some of those people by contract positions?" No they have not. When we removed those person years from government departments, we also took the budget that paid for those people. If anybody wants to hire somebody on contract in their department today they have to find the money from some other source within their department funding.

• (1740)

With tight discipline and good management, program spending has dropped from 19.5 per cent of the economy in 1984 to 16 per cent this year. This is its lowest level in almost 20 years and equivalent to a $22 billion reduction in spending. Since 1984, government program spending has increased by only 3.6 per cent per year, significantly less than the 4.3 average rate of inflation. Controlling government spending has not been easy or painless.

Programs have been eliminated, including the Canadian Home Insulation Program, the Petroleum Incentives Program and the Cape Breton heavy water plants, among others.

Family allowances and transfers to the provinces had their growth restrained and measures to better target the transfer of money to individuals have been implemented. Payments to Crown corporations have been restrained. The government has sold or reduced its holdings in 18 Crown corporations and eight others have been dissolved. Other Crown corporations such as Canada Post were told to shape up. The post office has turned a $400 million annual deficit into a profit and is continuing to improve its service.

Defence and foreign aid budgets were reduced. Direct subsidies to businesses were scaled down. Make no mistake. This government has cut spending. Last December, the President of the Treasury Board announced further steps to eliminate waste, improve efficiency and save $1.4 billion over the next three years. This was done in part by imposing a freeze on federal government construction in Ottawa, travel restrictions for members of Parliament and public servants, and closures of parliamentary restaurants and some government agencies.

This budget continues that work with its two year expenditure control plan designed to save $2.8 billion in 1991 and $3.3 billion in 1991–92. Together with the President of the Treasury Board's cuts announced in December, these actions will save $19 billion by 1994–95.

The expenditure control program exempts transfers to persons. Pensions, family allowance and unemployment insurance payments will not be affected. There are no cuts to veterans pensions. Following the lead of the successful western diversification program, which is headquartered in Edmonton, the budget takes a more business–like approach to business by eliminating grants and making loan repayment measures more rigorous. This places the emphasis on investing in economic development and not giving handouts to the private sector.

Petro–Canada will be sold. The government will wind up a number of Crown corporations and agencies whose functions can be handled efficiently and effectively by the private sector.

Grants and contributions paid by the Minister of State for Multiculturalism and Citizenship and by National Health and Welfare are being cut. The plan also caps the growth of a number of programs to 5 per cent a year for the next two years. These include the Canada Assistance Plan payments to the fiscally stronger provinces of B.C., Ontario and Alberta and represents about 1 per cent of the total provincial budgets in those provinces.

Federal support to provinces remains large and the total transfers will still increase to more than $36 billion in 1990–91. My province of Alberta is one of the fiscally stronger provinces that will be affected by the cap, but only if the province chooses to increase spending on social assistance by more than 5 per cent this year. If it does so, then it is no doubt better able to bear the extra cost than the federal government. I was pleased to hear from Premier Getty that the province of Alberta will be able to absorb those cuts with no increase in taxes.

Payments to the Alberta government under the Canada Assistance Plan will still go up from $2.3 billion in 1989–90 to $2.4 billion in 1990–91 and to $2.45 billion in 1991–92. On a per capita basis, Ottawa will still transfer back $972 for every Albertan in 1990–91 and $979 the following year. Obviously, there is an effect on Alberta as a result of this budget. We must bear in mind that this year 35 cents of every federal dollar goes to paying interest on the debt. The provinces, on average, pay only 12 cents of the revenues toward debt. Federal and provincial government efforts must be made to ensure each tax dollar is spent more carefully. The effects can be coped with as all Canadians adjust their expectations of what the federal government in the current circumstances can be expected to do.

This is a tough budget, but it had to be. Continued expenditure reductions while maintaining the level of revenue will bring us to a point in 1995 where our operating surplus will cover that year's interest on the debt. Then and only then will we be able to start paying down that massive debt which has impeded our flexibility and stifled our economic growth.

We have implemented measures in the past six years that have put us on the road to recovery but it is a long, long road and there are many pitfalls along the way. The

measures to date, the spending restraints and the stabilization of revenue have worked and will continue to work if we do not lose our nerve.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I find myself in a very peculiar situation as I am not sure whether I am in the same House as I was in Question Period. I heard cabinet minister after cabinet minister get up and deny that there were any cuts. They said there were no cuts, that there were only increases in expenditure.

An Hon. Member: Including the Prime Minister?

Mr. Karpoff: The Prime Minister also said that. I now have the hon. member congratulating himself and his Tory colleagues for the tremendous cuts in expenditure. Who are we to believe? More critical, who are Canadians to believe? The Prime Minister says one thing, you say something else, the Minister of Finance says something else and Canadians are left bewildered. The member passes off the capping of the Canada Assistance Plan. Alberta can absorb the increase in income assistance rates. What happens when the unemployment rate goes up another 2 per cent as predicted by the Minister of Finance and the demand increases for people on income assistance? What happens when the impact of the cuts in UIC take place where thousands and thousands of British Columbians in my home province have been disentitled to unemployment insurance and therefore have to go to income assistance? How is the province going to absorb that?

In the last five to ten years, the province of British Columbia has balanced its budget on the backs of the poor by cutting income assistance, not maintaining it, by actually cutting income assistance payments; by reducing their transfer payments to hospital boards, to post-secondary education facilities and to school districts. This is going to accelerate with this type of a budget.

The member says a wealthy province can absorb it. Maybe Alberta is in a position where there is an out migration of population. B.C. is in a position where there is an inward migration of population plus a settlement of immigrants coming to this country. Our population is going up and yet our revenues from the federal government are being capped.

I want the member to explain the discrepancy between what he says and what the Prime Minister says. Also, could he explain why he feels there will be no impact on services, particularly services that relate to income assistance, child care, post-secondary education and health, which are under tremendous stress in the province of British Columbia. The one thing I do agree with that the member said is the incompetence of the Liberals. It is true. Their fiscal incompetence is only surpassed by the Conservatives fiscal incompetence.

Mr. Richardson: Mr. Speaker, I am delighted that the member has taken the time to agree with me that the federal budget has taken a course of restraint. He objects to the cuts. Perhaps he would not be well received in my riding.

I was pleased also to hear the hon. member congratulate the government of British Columbia for another successful budget and for balancing its budgets over the past years. If we had similar restraints shown in provincial budgets across the country as we have in British Columbia or in Alberta, the economy would be in much better shape. I think particularly of the Government of Ontario which continued to raise their level of expenditures by over 10 per cent a year during a boom period, creating inflation and adding to the level of interest rates.

• (1750)

I commend the member for his acknowledgement and credit given the British Columbia government for maintaining a balanced budget, even in difficult times.

I should comment on his point with regard to what has been cut and what has not. People are no longer buying this garble of NDP members and others trying to mix numbers around. What we are saying is that the government has a serious debt problem, one that has been created in this country over a period of 20 years. We are resolving that problem. The record stands for itself. We are attacking the national debt. The only way to do it is to hold down that rate of increase of expenditures to cut the level of increase of expenditures as we have done while maintaining a stable level of revenue to attack the national debt. We have succeeded.

The Minister of Finance has done a remarkable job in holding down that level of expenditure while maintaining a level of revenues that, in the game plan laid out in his budget address, will allow us in the next three or four years not only to pay the interest on the national debt, but to begin to attack the principal on the national debt.

This is a remarkable achievement and a remarkable budget.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to ask my hon. friend, who sits on the Standing Committee on Multiculturalism and Citizenship with a number of us from both sides of the House, some questions related to that department.

I will quote from the budget. I am not making up this figure. The Tory budget has cut $23 million from this year's Secretary of State budget. This means it has cut essential programs for women, aboriginal programs—$90 million we heard today in Question Period—and, of course, the funding for multicultural programs, including advocacy groups and community programs. Last year they cut out the SILT program for language training which was essential for new immigrants to settle into Canada and cut 15 per cent per year for advocacy groups.

In addition to this, I assume the government still has plans to set up three new bureaucracies, a new multicultural department, a race relations foundation and a heritage language institute that would take a lot of money.

I would like to ask him, first, how he thinks cutting $23 million allows enough money for the minister to carry out the mandate of the Canadian Multiculturalism Act? In my view, it is just sheer tokenism. There is no way he can do it, much less set up a new department.

I would also like to ask him about the increasing intolerance, bigotry, and racism that have been documented in this country. Well over 50 per cent of Canadians say it is on the increase. How does he think this is going to be dealt with when the government is cutting back the very community front-line programs and advocacy groups that are there to deal with this? They are the only hope to get some real movement to improve inter-cultural and inter-racial programs and relations in Canada.

Mr. Richardson: Mr. Speaker, I thank the hon. member for her thoughtful question. She is well aware that she and I perhaps share much of the same opinion on this issue, which is probably unusual because on many issues, particularly finance, we do not.

With regard to her question about the Department of Multiculturalism and Citizenship's policies on racial intolerance, the minister responsible has done a remarkable job in this area with the budget constraints he has had. I know the member would like more money going to advocacy groups across the country to put their particular cases. What the minister has done, and continues to do, is to influence groups already existing in society, police services and any number of government departments, and to bring racial tolerance into the mainstream of Canadian life. He has not relied simply on advocacy groups, although many of them have done an effective job. Across every department of government he has used his influence and the influence of his department to consider this as an over-all government concern, rather than limiting it to his own department. In doing so, within the budget restraints he has, he has done a remarkable job.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, it is with real anger that I rise today to participate in the budget debate for 1990. Both as a New Democrat spokesperson for the status of women and as the member of Parliament for New Westminster—Burnaby in British Columbia, I find that this budget is really deeply offensive.

This is the second year in a row that the Secretary of State's women's program has reeled under severe cuts by the government. This year women's centres and publications have been targeted for total funding cuts of 100 per cent. Every single last penny of core funding for these organizations that provide their communities with valuable information is gone. Women's centres funding has been cut to zero. That is the best example of the Tory commitment to the women of Canada. It is zero.

Women's organizations have been providing for next to nothing the types of information and services which will cost provincial governments millions of dollars to take on. Women's centres are often the first places that battered and sexually assaulted women turn to for help, information and direction. Women's centres show the women in their communities what resources are available to them. They operate largely with dedicated volunteers.

We have not achieved equality for women in our society. Women still make up the majority of the poor in Canada. In the world, women make up the majority of the poor. Women are still not safe in the streets or in their homes. There is so much more yet to be done to achieve true equality for women in our society. Women

are challenging the traditional economic structures that have kept them in their place, in our place.

We are challenging the attitudes of the economics of violence. We are being silenced by a government which is, at best, ignorant and, at worst, hostile to our efforts. We are being muzzled.

By attacking women's and native communications' research, the government hopes to keep women and native people uninformed. This is a prime mechanism to silence these growing movements, the opposition to the Conservative attack on the poor, women and disadvantaged. The government is attempting to silence the voices of women and native people.

The Canadian Research Institute for the Advancement of Women received a 20 per cent cut this year. It released an appropriate media statement entitled: "A woman in justice—but no justice for women". It said that the appointment of a woman Justice Minister cannot substitute for financial support for women's equality efforts. The government appoints women who will parrot its policies, despite their principles and, perhaps, despite their better judgment.

The government has spent more money funding strip clubs than women's groups. It has loaned $17 million to 38 strip joints. The total budget of the women's program last year was $11 million. The women's program funds hundreds of women's resources all over the country.

The Canada Assistance Plan which funds social assistance but also funds shelters for battered women was dealt a blow in this budget. The Tories slapped a spending limit on British Columbia, Alberta and Ontario CAP funds. Shelters for battered women today must turn away one of every two women who appear begging for a space. What is the cap on the Canada Assistance Plan going to mean for these women? Where will they go?

The Canada Assistance Plan is also how child care is funded in our country. In my home province of British Columbia, 280,000 children are in desperate need of child care right now. There are 20,000 licensed spaces. The Tories promised us a brand new child care program before the last election. Instead, it is cutting back on child care. These cuts really do make me angry because they go hand in hand with a $114 million budget increase for the Canadian Armed Forces in Europe. When the Berlin wall has crumbled, when the spirit of openness and co-operation exists now among eastern European people, the Canadian government is stepping up its military forces in Europe at the expense of women, at the expense of children, at the expense of native people and the poor of Canada.

• (1800)

The Tory government increased the budget for security intelligence, increased the budget for CSIS, by $33 million while taking $1.6 million from the women's program. This is in addition to last year's cuts to women's programming of $2 million. The government's priorities are truly disgusting.

This budget, according to the government's own projections, will lead to higher unemployment, to the tune of 100,000 jobs lost per year. This budget contributes to lower disposable income for Canadians. The government clearly does not care a bit about how its policies affect real people's lives, it deals with economic policy in the abstract. Women have to find jobs and they discover that these jobs are hard to find. They discover federal employment equity programs with no teeth to them at all. Women have to find child care and discover waiting lists of up to a year and sometimes longer for a subsidized space.

Women will have to start paying the GST on hygienic products, on children's clothing, on boots, on winter coats, on muffins, on hydro bills and on heat. Let the finance minister hand his "no new taxes" line to the women of Canada who will have to start paying the GST on almost every item and service that they buy.

How can employment equity work in a period of cut-backs when people are being fired, not hired? Employment equity is a program for the hiring and promotion of women and minorities. Because of seniority, those left with jobs after massive job losses are mostly white males. Hiring freezes guarantee that women and minorities will not be hired.

The 1990 budget stands alongside the 1989 budget in which the universality of family allowances and old age pensions was destroyed and where the unemployment insurance system was cut back almost beyond recognition.

The Tory agenda has not created prosperity but misery. The biggest lie ever told was that the Conservatives are good economic managers. We in Canada are now on the brink of a recession. This is where Tory economic policy has led us.

I would like to take a moment and talk about something of which my colleagues on the other side may be unaware. It is the notion of principles. I can see that the members on the other side are squirming and muttering. They may be saying, "Well, we have principles too", and to be fair, I suppose they do. They might, when in doubt, put the burden on working Canadians, put the burden on middle-income Canadians, or a tax loophole for the rich is a vote at the ballot box.

However, there are some ideas which might be a bit more radical for this government. I thought it might consider the principles of fairness and equity. I thought it might consider something honourable like the value of a promise. Evidently I was expecting too much and I will tell you why.

A couple of years ago, the government decided to award some frigate building contracts. As there are excellent and productive shipyards in British Columbia, these shipyards were hopeful that they would receive some of these contracts. These companies and their workers were not asking for a lot. They did not want all of the frigate contracts, they only wanted to be treated fairly by the federal government. Let us look at how the federal government dealt with the people of British Columbia and let us look at the notion of fairness.

Did the B.C. shipyards get half of the contracts? No. Did they get a quarter of the contracts? No. Did they even get one of the contracts, Mr. Speaker ? No, not one contract for British Columbia. For some reason, the logic of which truly escapes me, the Conservatives thought it would be fair to give each and every one of these frigate contracts to eastern shipyards. Mr. Speaker, I am sure that you can appreciate that the people of British Columbia were very upset at this blatant example of favouritism. They were angered by the cavalier manner in which the federal government dismissed them. Canada is a far-flung country and it is hard to believe that Ottawa really cares about the regions of Canada when one can see such reckless decisions being made.

Keep in mind that this is not an administration that governs. This is an administration that reacts. Somehow, surprised at the furore that this snub created in my province, the Tories did what they always do. They scrambled about and they made yet another of their "sacred trust" promises. They said: "No, of course we did not forget about British Columbia. We will give your shipyards the *Polar 8* contract". Now, just a short time later, we see those words were just so much hot air. The budget wiped out this promise to B.C. It cancelled the *Polar 8* contract.

We see how much the finance minister cares about British Columbia. We see how the Tories govern. They make one promise to get elected and rescind that commitment when the whim suits them.

I would like to remind the government of one thing. It is not a whim to want to be employed. It is not whimsical to fight to keep your shipyard in your province viable. The finance minister may be talking about some abstract numbers in a ledger book, but what I am talking about is reality and real people who want jobs.

His government has failed the people of British Columbia. This government has said to my home province: "Your jobs are expendable". He has said to them: "My government is not a government that operates on fairness or on equity". It is a government which picks and chooses which promises are convenient to keep and which are to be discarded like old Tory election pamphlets.

Where are the voices of the 12 government members of Parliament from British Columbia? What about the four cabinet ministers who come from my province of British Columbia? What influence do they have with this government? It appears the answer is very clear. They have no influence as far as the people of British Columbia are concerned. The Tories have abandoned B.C.

The Tories have long toyed with the lives of all Canadians and this budget is just one more example of the Tory disregard. Under this budget, the finance minister has given the green light to forcing more and more Canadians into unemployment. He has approved plans which will see incomes falling in the next two years. These are not just idle threats thought up by naysayers. These are projections from their own budget documents. If more unemployed poor Canadians is his idea of

prosperity, I really think that he should recheck the definition of the word.

The minister also froze the Canada Assistance Plan payments for British Columbia. Of course, this will hit the hardest on those who have the least. The poor in British Columbia are not less poor than the poor in other regions of this country. They hurt just as badly. They line up in the food banks. I have seen them. I have been there. I have seen the food banks in British Columbia simply and solely for women and children. As I said, this will hit hardest on those who have the least. People in any province who battle poverty need help in breaking out of the poverty cycle.

What the minister has done is to take the poor of British Columbia and to say that they are expendable. It is fundamentally and morally wrong to treat Canadians in this way. The lives of Canadian women and men are not numbers to be pushed over from one column of the ledger sheet to another. They are not statistics to fill up some glossy Department of Finance budget document.

Canadian women and men are people struggling to keep their jobs in the face of industries closing down and moving southward because of the Mulroney trade deal. They are individuals struggling with the burden of 32 tax increases since this government came into power and since we have had this finance minister. They are senior citizens who are struggling to make ends meet, who watch the government hack away at their old age security programs. They are single parents living below the poverty line who will now have to pay another 7 per cent on their children's clothing, on their children's boots and coats. They are workers in a shipyard in British Columbia grappling with the question: did the Conservatives knee-cap their industry out of sheer ignorance? Or was this a deliberate attempt to kill off this valuable industry in British Columbia?

• (1810)

I have also thought about that question and I cannot really decide what is going through the minds of those on the other side of the House. I do know one thing. I know that we cannot afford to have our jobs taken away. I know that we cannot afford this GST, this regressive form of taxation which will fall on the backs of middle-income Canadians and poor Canadians. Poor and middle-income Canadians will pay the same amount of tax on a pair of shoes that the millionaire on Bay Street will pay. I know that we cannot afford that. We cannot afford the high interest rates that this government has brought us nor the high unemployment rates.

As a matter of fact, Canadians can no longer afford to be governed by the Tories.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, in face of the growing national debt, I would like to ask the hon. member for New Westminster—Burnaby, does she believe that any cuts in any government program ought to be undertaken?

Ms. Black: Mr. Speaker, there are countless tax write-offs that are available to large corporations under this tax reform that the government has talked about for a number of years. They have just introduced legislation that will make it more attractive for rich Canadians to salt money away into an RRSP, where lower-income people do not have this advantage. There are a number of areas, if the government was really serious about cutting back on expenditures. The increases to the military budget are one avenue that the government certainly could have looked at with a fresh eye.

What this government has chosen to do is target the women and the native peoples of Canada. It has chosen to attack any environmental programs that may have had some significance. It has chosen to try to silence the voices of the women of Canada. It has chosen to try to silence the voices of the native people. That is a deliberate strategy, because the women and the native people in this country have been fighting back against this government's arrogance, torture and lack of consideration for women and the disadvantaged in our society. It is a deliberate strategy because it does not want to hear from these yappy women any more who have been telling it that they do not want these Tory programs, they do not want to have the big heavy foot of the Tory government on their necks any longer.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, it will not go unnoticed that the hon. member decided not to answer the question. What she would like to put before the House is a list of little fox chases that might distract some people. She mentioned that there could be more cuts to national defence. She herself would know that national defence is not an agency simply to be prepared for a hot war. We must also be there to protect our country against international polluters, to protect our ocean resources, to protect against drugs coming into this country, to protect against terrorism. If the NDP had their way and did away with the Department of National

Defence, the country would be vulnerable to all those international attacks.

The member gave the specific example of shoes, saying that the rich and the poor would pay the same tax. Since today there is a 13.5 per cent tax on the manufacture of leather products, does she not believe that it might be somewhat more purposeful for those in lower income families, who will be better off after the GST is in place, to pay only 7 per cent rather than 13.5 per cent, or has she some mysterious view that 13.5 per cent is smaller that 7 per cent?

Ms. Black: It is interesting that the member on the other side would raise that question. There is absolutely nothing that indicates that prices will come down when the MST comes off. There is nothing to ensure that prices will drop by 13.5 per cent. I will be very surprised if right across the board prices come down by 13.5 per cent and go up by 7 per cent.

When we talk about the people who will be paying taxes on their shoes, we are talking again about a regressive form of taxation that puts the burden on the middle income earners disproportionately. This is not fair taxation. This is regressive taxation. Canadians recognize it for what it is and they are fed up with it.

An Hon. Member: What is your alternative?

Ms. Black: Our alternative has been tabled in the House. It makes a lot of sense. Why do you not take the time to read it? You might learn something.

The member asks me about the Canadian military, and stated that the Canadian military was necessary to fight pollution, to protect our fisheries, and for a number of other things that I do not even recall.

We had a major oil spill in December of 1988, in my province, right after I was elected. I toured the devastation on the east coast of Vancouver Island in a helicopter. It was horrific. There was no military there. Members of my party called for the military to come in and help with the clean-up. I also recall that there was no military helping with the tire fire two weeks ago in Hagersville, Ontario.

There was absolutely no sense to the member's question. He knows what this government is doing. He knows that once again the Tories are putting the burden on the backs of middle income people, women and children.

The Acting Speaker (Mr. Paproski): I have two more questioners. The hon. member for Dauphin—Swan River, and the hon. member for Surrey North. I will recognize the hon. member for Dauphin—Swan River.

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I have been here five and a half years now and I keep hearing over and over again from NDP members about average Canadians. Every time I hear a speech from one of them, I receive confirmation that they have no idea what it is like out there in the real world.

There were some very tough decisions made in the 1990 budget. There were choices that had to be made. What is right is not always popular. This government could be the most popular party this country has ever seen if we opened up the cheque book and wrote a cheque to everybody who demanded money. But that would not be the responsible thing to do.

I think it is a very sad commentary on the NDP policy that to solve every problem, you throw money or write a cheque. That is their solution.

During her speech, the member for New Westminster—Burnaby mentioned principles. I do not question her principles. I do not question the principles of any member of this House, and I do not like having my principles questioned because I am a member of the government. Let me tell the member the basis of my principles.

I have three teenage children at home who will soon be in the workforce. They are going to wonder in the years that I was in the House why I did not support policies that got government spending under control so that my children and my grandchildren are not paying for a debt that I incurred while I was a member of the House of Commons. I will repeat the question that my colleague asked. If we are going to control spending, where do you do it?

We had an NDP government in Manitoba for eight years that never cut back spending anywhere, but increased taxes, the highest we have ever seen in the

province of Manitoba. So we have seen how the NDP can talk about policies and theories. We have seen them in action in Manitoba. It does not work.

Ms. Black: The member opposite said that they had tough choices. I agree that they had tough choices. But I have to really question how they came to their answers. He talks about cuts that they had to make. There also were increases in this budget. There was an increase to CSIS in the amount of $33 million. There was a $14 million advertising budget for the GST, a tax that no one in this country wants. It has been made very clear that people see this tax as an unfair tax.

• (1820)

The cuts to women's programming were $1.6 million. When you look at the increases to CSIS, the security system for Canada, and the massive budget to advertise this regressive taxation, the GST, $1.6 million looks like peanuts in comparison to these increases.

Therefore, the choices that were made, the cuts that were made, were very deliberate. Again, they are cuts to silence the voices of women. They are cuts to silence the voices of native people. They are cuts to silence the voices of the disadvantaged. I have got news for this government. If it thinks that is going to work, it is wrong. The women of this country are angry. They are very angry, and the voices will not be silenced.

Mr. Jim Karpoff (Surrey North): The member mentioned the fact that the 19 previous Tory members became known in the last Parliament as "the silent 19". Now they have become known as "the invisible 12". They are nowhere. They are not here to defend the rights of British Columbians when it comes to the GST, to defend the rights of British Columbians when it comes to free trade, to the UIC cuts, to VIA cuts, and now to the budget.

The Tories keep talking about what we would do to make sure there was a balanced budget. I would like your comments on just one piece of legislation that was introduced recently. The tax give-away to the wealthy was increased under RRSPs by another $400 million a year for people earning over $86,000 a year. What they are doing is giving their rich friends more tax concessions. Next year RRSP contributions alone will cost this country over $11 billion. Who benefits from it? It is people earning over $50,000 a year.

Members opposite can talk all they want. They can mutter and moan. The reality is, if you wanted to balance this budget, there are a lot of ways. Stop your tax concessions to your wealthy friends. Stop the tax concessions to the large corporations and quit attacking the poor. Quit attacking women.

I would like your comments on that one program alone. Would you, if you were a government person, stand up and say: "We are going to cut women's programs." At the same time, give a tax concession to those earning over $86,000 a year, which will cost an additional $400 million a year?

Ms. Black: My colleague from Surrey makes a very good point. It is honestly very difficult to understand the workings of the minds on the other side of the House. At the same time as they are saying women must receive these drastic cut-backs in their budgets and that native people must lose their funding and will no longer receive funding for newspapers and communications, they are increasing the tax deductions for the wealthy of this country. It makes no sense. It is not fair.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is a pleasure to take part in this budget debate.

This debate is about choices. It is about resolve and commitment. It is about having the presence of mind to take a hard look at the harsh realities we face. The choice is there before us to meet our responsibilities head on, or to look the other way. For too long we have seen governments follow a policy of looking the other way. This was not a viable alternative in the past and it is definitely not a viable alternative now. The test is here. It is before us and we have got to face it with resolve and commitment. We have to dig down deep within ourselves and muster up all of our resources to address the formidable and dangerous monster that menaces our every move. That monster is the national debt.

Every day that the debt goes unchallenged is a day that the debt grows stronger and we, as a nation, grow weaker. It is an undeniable fact that the fight with the debt is a zero sum game. For too long it was allowed free rein. It grew into a powerful force with which to be reckoned. We all know that the reasons for the debt's growth was the adherence to unsound financial policies that had charted a course of destruction.

In 1984, Canadians made the choice to fight that monster of a debt. They wisely chose the Conservative team. Under the leadership of the Prime Minister, Canadians have seen a government forge a battle plan that shines with vision and great foresight. This is the sixth budget that we have seen under this government. It is similar to the other budgets in that it is consistent with the government's comprehensive plan for economic renewal. This budget illustrates yet again that this government, this Prime Minister and this finance minister are committed to matching words with action. This government has shown its ability to meet a situation head on, assess the problem, consider the options and choose the correct plan to follow.

In 1984, the government did just that. We saw the mess that the country was in. We saw the danger that lay waiting for us. If we did not change our route, Canada was headed for big trouble. It has not been easy, but through adept planning, the Minister of Finance has been able to put a stop to the great impetus that drove the debt. The trend toward deficit spending was reversed. The position of the government was changed from that of weakness to that of strength. It surely has not been easy.

As mentioned by the finance minister, when we came to government in 1984, we had to fight two deficits. The operating deficit in 1984 was $16 billion. There was $16 billion between the cost of the programs and the revenues collected. Making matter worse was the second deficit, more than $20 billion needed to be borrowed annually, simply to service the accumulated debt. So what we had was a total deficit of $38 billion. It was not a pretty sight.

The propensity was for this deficit to continue growing and something had to be done to turn the tide. The Minister of Finance assessed this situation, drafted a comprehensive plan for economic renewal and charted a course for Canada's future. The plan comprised attempts to turn the operating deficit into a surplus. The tide has been turned. We have gone from an operating deficit of $16 billion in 1984, to an operating surplus of $9 billion today. That is a significant turnaround of $25 billion in five years. That is one deficit down an one to go.

While we are wrestling with the operating deficit, the service charges on the debt are compounded steadily. Today we have a debt load of some $350 billion. Eighty per cent of that growth since 1984 or $120 billion of it has come from the accumulated interest on the debt that was already there when we came to office. That means that this year alone, payments will run to $40 billion. Quite rightly, people say, "Who cares as to whose it was, it is yours now". That is precisely what we are saying and that is what is in this budget.

This is a serious problem. It calls for a serious answer and I can tell you that this budget is just the answer needed. This budget proposes to continue the increase in operating surplus to reach $31 billion by 1994–95. This budget proposes to decrease the budgetary deficit to $10 billion by 1994–95. This is in light of an increase in budgetary expenditures of $22.1 billion to $165 billion in 1994–95. What this means is that the Minister of Finance is well aware of the various commitments that have to be met.

• (1830)

It seems that time and time again critics lose sight of the need to deal with the deficit and the debt problem. If not stopped now the debt will continue to grow and the ability of this government to address the needs of Canadians will be diminished considerably.

The members opposite all say: "Don't cut spending". Yet the people at home tell me that we did not cut enough. With the debt out of the way it will be possible for the government to begin providing Canadians with the real choices that they want so badly.

Critics of this budget cry foul. They say that the minister and this government have betrayed Canadians. They say that sacred trusts have been broken. This is not true. The government has continued in its policy of restraint and good management. When critics talk about the expenditure control laid down in this budget they obviously miss the point. They are blinded by their bias. Because they are so used to spend, spend, spend when it comes to federal budgets, they are simply not able to consider the principle of control when it comes to expenditure.

It is not that difficult to grasp. When dealing with debt you must consider that you cannot go on spending in a haphazard way. Expenditure control means just that—control. The government is not cutting willy-nilly. It is controlling what it does spend. Some programs have been constrained to a 5 per cent annual growth. That means in the case of the Canada assistance programs they can only grow by 5 per cent although the entire

federal government spending has been held at less than 4 per cent. In fact this year's federal spending will rise by only 3 per cent.

It seems to me that this is not an unreasonable limit to suggest. It is definitely not a cut by any means. Some programs have been frozen for the next two years. In the case of the established programs funding this puts the onus on the provinces to employ better management when they are distributing the money that they now receive. They will still receive increments in case of population growth.

Some programs have been reduced. Areas such as Secretary of State, multiculturalism and citizenship have been affected. Critics cry that this government lacks commitment. This government is creating a department of multiculturalism and citizenship. This does not sound like a lack of commitment to me.

Some programs and projects have been eliminated. The Canadian Exploration Incentives Program has been eliminated. The *Polar 8* icebreaker has been cancelled, and the support to the Other Six Leases Operation, or OSLO, as been cancelled. In light of the changing circumstances that are taking place in the world the completion of these projects would not produce the results that they were intended to produce. As such, it is simply not prudent to continue at this time. As beautiful and as labour intensive as buggy making might be, it is not prudent in light of technological changes to continue production in competition with motorized vehicles.

Significantly, we are proposing to privatize Petro-Canada. For years we have heard calls for privatization. Many of these calls have come from the chairman himself. I say if Mr. Hopper, the man who runs the company, does not know if the company should be privatized, then I would submit that no one knows. But members of the opposition say: "Man, it is terrible. You should not do this". What we have here is a company that will be allowed to borrow money on the open market instead of coming to the government and asking for funds from the taxpayer. What is so wrong with that?

We see before us a prudent budget. The changes are prudent and realistic. There is nothing untoward in this budget unless, I dare say, it does not go far enough. That is what the people at home are telling me, it does not go far enough. Yet I listened to my hon. friend from British Columbia ridiculing the fact that we are cutting some of the expenditures. The people I have listened to in British Columbia are saying: "You did not cut enough".

The members also cry foul and say that this budget goes too far. They say that this is what the majority of average Canadians believe. I would submit to you that the opposition is wrong, Mr. Speaker. The average Canadian is smarter than that. We know from the explanation of the Minister of Finance in his budget speech that to implement cuts instead of restraint would result in a definite negative impact on the Canadian economy. To impose rash cuts would not be prudent, at this time or at any time. That is why it will take us well into the mid-1990s just to address the deficit problem. We will not be able to tackle the debt until after the deficit is out of the way.

We know that it will be a long and drawn out process. In fact, the members also say, "You have had six years, why have you not erased it already?" It cannot be done overnight.

We know that we must work within a realistic framework. Yet what I hear from the critics is that this government is out of touch with reality. I ask you, Mr. Speaker, who is out of touch with reality when they harp at the government to continue to spend more money, when there is not the money coming in?

It is those folks opposite who are out of touch with reality. These are the same critics who talk about the need for more spending without thinking about from where the money will come. They want action but they do not consider the consequences, and they say they represent the majority of Canadians.

In my most recent householder I provided my constituents with the opportunity to tell me what they thought about government spending on the debt problem. I provided them with an abbreviated balance sheet of the public accounts and asked them to consider what was being done and what they thought might be reasonable areas of change. This was a difficult exercise because I had to condense the public accounts into one source. A great deal of information was left out but, nonetheless, a message came through loud and clear.

That message was: Cut back government spending. My constituents were not asking us to spend more, they were asking us to spend less. The perception was that

spending in many areas was too high. The prescription was not tax increases but a reduction in spending.

This seems to bring two problems out into the open. The first problem is that perhaps many people do not understand what is involved in government spending. The second problem is that a significant portion of the people that I hear from usually want me to cut the other guy but not them.

The first problem seems to be one of communication and that can be easily rectified. The second problem seems to be one of attitude. Unfortunately, attitude is not so easily changed. Canadians have been conditioned to expect the government to be there for them from the cradle to the grave. They seem to think that the government can somehow access an unlimited amount of money to help them.

What can we do? We have avoided the calls for across-the-board cutbacks of 5, 10, 15 or 20 per cent. We have opted for restraint in most cases. In this our sixth budget we have continued in what is proving to be a successful approach to fiscal responsibility. It is a slow, painstaking process but it is sure and it does not cause undue damage to anyone. We are dealing with the government's finances in a reasonable way.

I say to my constituents of Fraser Valley East, to all Canadians and to this House that it would not be prudent to make across-the-board cuts of from 5 to 10 per cent, as attractive as that might have seemed. This is just as true when it comes to spending. It would not be prudent to continue spending in a reckless manner. A balance must be achieved.

That balance is what has been presented to us in this budget. The minister has felt the pressure from both sides. Programs and commitments must be continued. The minister and the government feel the pressure from those who call for cuts. Spending must be restrained. The minister and this government feel the pressure from those who would have more spending, yet the minister and this government persevere.

There is a way to achieve the balance needed to meet commitments and to deal with spending in a reasonable manner. This Minister of Finance and this government are committed to ensuring that we follow the best route for Canada. We have seen that commitment in the past five budgets and we see it again in this budget. We see a serious response to a serious problem. The government must be disciplined and compassionate at the same time. We are dealing with a national debt here. It is not simply a federal debt. That is why the government has asked the provinces to share in their responsibility. Again we hear the critics cry foul.

It is not unreasonable to ask the provinces to hold the line on the Established Program Funding for two years. I say it is not unreasonable to continue to limit to 5 per cent the growth in the Canada Assistance Plan. It is not unreasonable to cancel certain projects and make management decisions that include privatization. No, this is reasonable beyond a shadow of any doubt. We are committed to certain programs and that commitment stands, but we are also dealing with a serious debt problem that must be dealt with lest our ability to meet our commitments diminishes entirely.

• (1840)

Yet we have amendments made to condemn this government. It is preposterous. There are no tax increases in the budget, yet we are to be condemned for imposing increased tax burdens on Canadians in this budget. This hits of course at the GST which replaces an archaic and a counterproductive federal sales tax system in place today.

We have imposed limits and management has been tightened. We are condemned for abandoning health care, post-secondary education, veterans and regional development. We refuse to interfere with the Bank of Canada's interest rate policy and we are condemned.

We are acting prudently, and we are to be condemned. It is amazing. Instead of giving money away as if it grows on trees, we are providing repayable contributions, a system that has proven to be very successful in the Department of Western Diversification. Members also say we are abandoning our commitments to regional development.

It seems that the only ones abandoning anything are the members opposite. They are abandoning their senses.

I cannot forget that the New Democrats want to condemn us for failing to protect the environment. I tell them to wait until the Minister of the Environment

brings forward his policy paper later this year. Then let us talk about failure.

An Hon. Member: We waited months and months. He was going to bring it forward in April.

Mr. Belsher: That is fine. It is a long document and it will take time to prepare it.

They say that we are failing to protect the family farm. The Deputy Prime Minister and the Minister of Agriculture is spearheading a comprehensive policy review of the whole agrifood industry that will put the family farm on stable and fertile soil. That does not sound like failure to me.

This government has reformed the income tax system. We are providing more actual cash-in-hand to low income Canadians than ever before, yet we are accused of abandoning those who need assistance with child care.

We are helping Canadians, not hindering them. These are successes, not failures. The sky is blue, it is not red. Water is wet, it is not dry. The truth is the truth, despite what members opposite would have Canadians believe.

This government has provided leadership on all fronts. We have worked hard to achieve prosperity for all Canadians. We have been constructive when the policies of the opposition have been destructive. We have acted responsibly with commitment and consistency.

This budget builds on our previous successes and sets the stage for future growth. I believe that time will prove yet again that this government has acted as it always has, in the correct and prudent manner that Canadians have come to respect. I would have it no other way.

I for one would be glad to vote in favour of this budget. I would encourage members opposite to vote for this budget if they really care about our country and what the national debt is doing to it.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the hon. government member opposite said, and I quote: "The members opposite say we should not cut spending". What drivel. What nonsense. Let us get the facts straight.

Here is another fact for the hon. member. For example, if we want to talk about cutting spending, let us talk about the federal Department of Public Works which directed the purchase of a facility for a Customs and Excise training facility even though Customs and Excise said that the facility in question did not suit its purposes. The facility located in the newly-appointed Solicitor General's riding was purchased for $5 million. As the Auditor General stated in his recent annual report to Parliament: "In our opinion, the initial contracts did not provide for a realistic evaluation before the decision to proceed. When the construction began in 1986, it was to meet needs established in 1976 and not re-examined at all since then".

Although the consultant's report stated that the property would be adequate and some renovations required, the cost of the renovations has so far been $35 million—on a building that cost $5 million.

The Auditor General also states that there are many loopholes existing in the income tax system which the government could close. These are loopholes amounting to $350 million. Can you believe it? So for a government that preaches this new-found fiscal responsibility, six years of this fiscal responsibility, when all we see are problems we now see these measures. Would it not be easier to have a look at these needless expenses rather than replacing a bad tax with a regressive bad tax? Has the hon. member had a close look at the Auditor General's report? Has he examined government waste, how government money is being spent needlessly, as in this case, on a $5 million building, $35 million in renovations? Has he had a look at all those situations—

Mr. Richardson: What about the $200 billion?

Mr. Keyes: We have already heard all the arguments from this hon. member over here screaming, "$200 billion, $200 billion". Let's get realistic. Six years have gone by and all we get is a doubling of the debt. It makes no sense. So here is a suggestion.

The Acting Speaker (Mr. Paproski): I think the hon. member has to put his question. Put your question, please.

Mr. Keyes: Thank you, Mr. Speaker, it is a sensible question. We all know where the debt is.

Mr. Richardson: Ask the question.

Mr. Keyes: The Speaker has asked me to ask the question. The hon. member to my right is getting all excited and all in a tizzy. The question is a legitimate one. Has the member looked at the Auditor General's report about all the waste, loopholes and problems in an attempt to roll that into a fiscal plan to try to reduce that debt and deficit? Has the hon. member done that?

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to thank the hon. member for bringing up the Auditor General's report. If he were to go back and read some of the reports himself he would see that the Auditor General has been complimentary of this government and the way it has followed his recommendations. That is in the 1987 report.

The gentleman also brought up a point about a specific expenditure. Yes, there will still be problems. I readily agree that there will be problems and there will continue to be problems to be identified. It is an ongoing thing. However, what the Auditor General has recommended in his report does not deal with dollars in such a way that would get a handle on the national debt and the amount of money it is costing to service the debt.

The fact is that when we came into office in 1984 the structure was in place for spending $16 billion more than was coming in. That is what was inherited. We have had to turn that around. As I said earlier, we have been able to make a $25 billion turnaround. Now $9 billion more is coming in than is going out in programs. It is still not enough. So we are saying no more raising of taxes, let us go at the expenditure side but all we hear is "foul, foul, foul" from the other side.

Mr. Maurice Foster (Algoma): Mr. Speaker, I was very interested in the speech of the hon. member for Fraser Valley East this afternoon. I thought he was trying to tell us a great deal. He mentioned in the last part of his speech that the government had a very comprehensive farm policy. I was surprised to hear that because I read in *The Globe and Mail* this morning that the premier of Saskatchewan, Mr. Grant Devine, cannot even keep his own farm. Mr. Devine says in an interview with Geoffrey York of *The Globe and Mail* Regina service:

> My farm, like everybody else's, is in trouble. Everybody's working as hard as they can to keep it all together.

The article goes on:

> Mr. Devine refuses to give details of the financial troubles on his farm, but he acknowledges that his family is finding it difficult to make payments—

The member says the government has a great farm policy. The Prime Minister and the Deputy Prime Minister have always responded to demands from Mr. Devine. For instance, in October of 1986 the government responded with $1 billion. When the Premier was in financial difficulty he phoned the now Governor General, the then Minister of Justice, to demand $1 billion in the face of that situation.

• (1850)

Here we are four years later and, according to *The Globe and Mail* report, the premier is facing the loss of his farm. He put out a press release demanding that the government provide $1 billion to Saskatchewan alone, even though there is a problem in Manitoba, Alberta and in areas of southwestern Ontario.

I wonder why this budget has a comprehensive farm aspect to it, according to the hon. member for Fraser Valley East. I looked through it. I could not find anything except that the transfer payments to most provinces were being cut. However, according to the member this is a comprehensive program. If there is a comprehensive program for agriculture, where is it in this budget so that we can save the farm of the premier of Saskatchewan from being lost?

I hope that the hon. member for Fraser Valley East can explain this. He says that it is in the budget, that it is a comprehensive program. We want to know. I know that neither the Deputy Prime Minister nor the Prime Minister want to see the premier of the province lose his farm.

Mr. Belsher: Mr. Speaker, I am delighted to know that the member opposite is so concerned about the farm of the premier of Saskatchewan.

I guess what the member opposite has failed to realize is that there have been several years of drought in Saskatchewan. In fact there have been six or seven years of drought in Saskatchewan. Consequently, there certainly is a cash flow problem in the family farm.

Thinking back to what I said in my speech, I said that the Deputy Prime Minister and Minister of Agriculture was spearheading a comprehensive policy review of the whole agrifood industry that will put the family farm on stable and fertile soil. I did not say in my speech that this budget was addressing the family farm or agriculture

alone. I said that these were some of the things that this government was doing. That is what this is about.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am delighted to get this opportunity to ask a question of the hon. member.

My colleague talks about no new taxes. What is the goods and services tax going to be called when it is implemented in 1991, unless you intend not to implement it? What about the partial indexing and the deindexing? Is that in fact not going to require new money?

If the member disagrees with me with respect to the following, check with the premiers please. Will the reductions in transfer payments not in fact require additional new taxes of provinces, municipalities or individuals? Will it, or will it not?

Mr. Belsher: Mr. Speaker, this budget does not have any new taxes in it.

Some Hon. Members: Hear, hear!

Mr. Belsher: These people opposite obviously were not listening or did not read the budget that the minister gave in this House.

The GST bill that is now in committee has different lines of revenue in it. That is a replacement tax which will come in next January. Yes, the EPF funding is capped at this year's level for the next two years. It can grow if there are population shifts, but it is capped.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I believe that there is unanimous consent to call it seven o'clock and go into the "late show".

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, on November 20, I put a question to the Deputy Prime Minister and the Minister of Agriculture to draw to his attention that the Saskatchewan Wheat Pool had called on the Prime Minister to provide funding to the extent of some $500 million to support the western grain industry. That figure reflected a resolution passed by the Saskatchewan Wheat Pool. Similar demands have been made by farm groups in Manitoba, where there was a very severe drought in the southeastern part of the province, and by groups in Alberta where there was a drought, as well as by groups in southern Ontario where there was a drought this past year.

That resolution went on as well to demand that the government not unilaterally cut government programs. That is what has been going on this past year. Some $500 million in government programs have been cut. Everything from the Canadian Dairy Commission, to the rebate for farm fuel, to support for advance payments, to western programs for crop insurance and eastern programs for crop insurance have all been cut in this past year.

The situation has been exacerbated as well by the United States Export Enhancement Program. That enhancement program was supposed to guarantee that the United States or Canada would not use export enhancement programs without due consultation and consideration of each other under the free trade deal. Yet it goes on and on and on. We see sales of wheat being made to Russia, China, Algeria and other traditional customers of Canada. With gay abandon the United States is not only stealing away those markets from Canadian wheat producers but is driving down the world price of grain.

We see a demand by the premier of Saskatchewan who, as I said earlier in debate today, is facing the loss of his own family farm, according to a press report this morning in *The Globe and Mail*. He is demanding additional funding to compensate farmers not only for the drought but for the very low commodity prices in farm grains as well as the overriding debt problems. These are debt problems which have also been noted in a recent press release dated February 26 by the Ontario Corn Producers which points out: "Ontario farmers' financial turmoil deepens".

The press release goes on to outline the fact that farm debt review boards are facing larger numbers of farmers under financial stress and that the price of corn and soybeans this fall will not meet cash flow because the commodity price is below the cost of production.

We have a triple whammy here with drought in many areas of the west and some areas of the east, serious farm debt problems and the problem of very low commodity prices. We are now within two or two and a half months of the planting season and we should not have to wait around for months for the government to make a decision on this.

Every time we raise this matter with the Deputy Prime Minister and with the Prime Minister we are told that they are gathering data, that they are consulting, that they have committees working and that they are considering the matter. In fact, the budget itself has a crippling impact on this because massive amounts of money—several hundreds of millions of dollars—have been taken away in transfer payments to Manitoba, Saskatchewan and Alberta. If the government proposes a cost-shared program with the provinces then it will have that much less financial capacity to carry out a special program of assistance for farmers.

• (1900)

Of course they have taken away the advance payments, so $4 million or $5 million of cash flow was not available this past winter interest-free. It was available at 12.75 per cent interest but not available interest-free as it has been in the past.

The government must stop pussy-footing around and respond to the demands of groups like Ontario Corn Producers, soybean producers, the three prairie pools, and the Saskatchewan, Manitoba and Alberta governments, all of which see a desperate need for an injection of cash into the western grain economy. A crisis has been brought on by these three elements of extended debt, low commodity prices, and the export enhancement program in the United States driving down the world price of grains and wheat while at the same time taking away Canadian markets.

We have a very serious problem facing agriculture in this country. There are a number of additional concerns such as marketing boards and so on, but just dealing with the western and eastern grain industry it is time to act now if the government really wants to see a crop seeded this year. Moisture levels are very low because of lack of moisture in the fall and this winter. Still, without that cash injection into the economy of Canadian agriculture, there will extreme difficulty in planting crops this coming spring. Within two or two and half months of that season, surely that is enough lead time for the government to realize that it is essential to make a commitment now.

I know that the parliamentary secretary is in the House tonight. I know he is committed to agriculture. I know that he will want to announce it unilaterally. He will not want to leave it to the Prime Minister or to the Deputy Prime Minister and Minister of Agriculture. He will want to announce it himself here tonight.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I do hate to disappoint the hon. member, but I am always very happy to defend the government's record on agricultural trade and support for our farmers in this great country.

The hon. member is partly right when he says that the trade war between the U.S. and the EEC is continuing. We are still pressing the United States to stop using its export enhancement program and the EEC to restrain its use of export restitutions or subsidies. With world prices up there is no need for the export enhancement program so we are urging them both to stop using the programs.

It is also true that the trade war is not nearly as intense as it was a couple of years ago. The U.S. has eased off on export subsidies from a high of $74 a tonne in 1986 to a level of about $12 to $20 a tonne today. At the same time the EEC has reduced its export restitutions from $185 a tonne to about $80. In terms of net levels of subsidies there has also been progress.

Australia, for example, has reduced its subsidies by about 33 per cent, the U.S. by 31 per cent, Canada by 27 per cent, the EEC by 24 per cent, and Japan by 4 per cent. There has been some progress notwithstanding the fact that it is not happening as quickly as we would like it to happen.

The Special Canadian Grains Program was put in place in 1986 and 1987 to compensate producers for low world prices caused by the trade war. Since then the world situation has changed. Stocks are low, subsidies are down, and prices have increased to levels well above the levels at the height of the trade war.

Canadian Wheat Board final payments have increased from $134 per tonne in 1987–88 to $197 per tonne last year. This is a 50 per cent increase in price from one year to the next. The initial payment for spring wheat for 1989–90 has been increased from $155 per tonne in April to $165 per tonne today. The ability to make an interim payment and final payment worth about $295 million to Saskatchewan farmers is an indication of the higher average prices for wheat the Canadian Wheat Board was able to obtain on sales in 1988–89.

Therefore justification for an *ad hoc* payment to producers for 1989 cannot be made on the basis of low prices caused by the trade war. As for 1990, it is still too early to tell precisely what the prices will be. However, given the low world stocks, prices are expected to remain reasonably strong.

During the 1986–87 crop year the world price of wheat had fallen to a low of about $130 a tonne as a result of the trade war between the United States and the EEC. For the 1989–90 crop year world prices had recovered to about $200 a tonne.

• (1905)

Low world stocks and higher prices have lessened the impact of the trade war. Both the volume of exports assisted with the export subsidies and the size of export subsidies have declined since 1988.

For example, total sales under the export enhancement program have declined from a high of 22.7 million tonnes or 64 per cent of total U.S. wheat exports in 1987–88 to 20.4 million tonnes in 1988–89 or 53 per cent of total U.S. wheat exports. For the first seven months of this crop year, export enhancement sales have totalled just over 5.8 million tonnes.

Nevertheless, despite the easing of the trade war, we recognize that these underlying causes are still present. That is why we are continuing to work through the GATT multilateral trade negotiations to resolve these trade problems.

Along with other members—

The Acting Speaker (Mr. Paproski): I regret that the hon. parliamentary secretary's time has expired.

Adjournment Debate

TIEM CANADA

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am here tonight because I want answers to important questions which I raised some time ago. There are no partisan politics involved whatsoever.

TIEM Canada was set up to assist small and medium sized businesses, initially to start up new businesses and later also took on the role to expand certain operations or businesses.

The questions that are of most importance obviously are those that involve public funds. Where is the roughly $12 million in interest-free start-up loans? Is it being paid back because this particular company was shut down? What about the CEIC funds for jobs created, supposedly close to $6 million? Is this being recouped? Third, what was the Federal Development Bank involvement in this operation? Were any funds lost?

Those are the basic questions and the most important ones. I want to refer to my question as it appeared in *Hansard* of December 15, 1989, at page 6991. It reads as follows:

> TIEM Canada was a national company located in five cities including Winnipeg. TIEM was designed to assist small and medium sized businesses. It received huge amounts of public funds. In May this year it closed its doors.
>
> Why did the ministers involved in providing huge amounts of public funds refuse to renew its contracts?
>
> Why didn't those departments, including the Department of Employment and Immigration, the Department of Industry, Science and Technology and the Federal Business Development Bank, renew these contracts and why won't they give us the report on this company's performance?

The minister indicated at the time that he did not have the file with him and would get back to me later. I accepted that. By the way, part of the evaluation has been provided.

I wrote as a follow-up to the Minister of Employment and Immigration on January 4, and I also wrote to the minister responsible for the Federal Development Bank on that same day. Here are the questions that I raised at the time:

> Why did the government decide not to renew its contracts with TIEM?
>
> How much was provided, in contracts or otherwise, by your department to TIEM?

Will you make public any evaluations of the viability of this investment which were made prior to funds having been provided?

What, if any, communication occurred between the Federal Business Development Bank and the Department of Employment and Immigration with respect to the closing of TIEM?

Will you make public the performance evaluation which your department produced before cancelling its contracts with TIEM?

I did receive a reply from the Minister of Employment and Immigration on February 6, promising a lengthier response. It was really a letter of acknowledgement. I did receive a letter of reply from the minister responsible for the Federal Business Development Bank on January 19, 1990, which redirected my correspondence to the Minister of State for Small Businesses and Tourism.

I point this out because I was surprised that the minister would retain the question in the House of Commons, yet receive my letter and then redirect it.

I received a reply from the Minister of State for Small Businesses and Tourism on January 24. Basically it describes what the operation is; something that I knew. It indicates that this had been attempted in a number of other countries, for example the U.S. and the U.K., and people wanted to know whether or not it would be useful here.

• (1910)

These were not responses to my question. Again, I wanted to know what public funds were in fact used to support this operation and whether they were in fact recouped. I have identified three possible departments involved.

To be more specific, here are the questions of greatest interest that now fall out of all of this: What evaluations were done of TIEM's business plan before providing DRIE funding? Will these evaluations be made public? Was any of the $11.8 million invested by DRIE repaid? What accountability was attached to the funds? Was there any monitoring or site inspection? What criteria were applied to select this company, TIEM, for funding?

How could one company in its development stages be able to get funding from two separate government departments plus, from what I can gather, the Federal Business Development Bank? Was bank financing not available or was it refused? Has there been any action taken against the principals of TIEM Canada to recover the $11.8 billion start-up loan. Has any minister followed up whether or not CEIC agreements with TIEM required the company to return paid job credit amounts for jobs created if these jobs did not continue after two years take place?

Will the minister confirm that as reported to us the job credit amount was approximately $14,000 per job created? What is the status of the Vancouver based business development group? I am told it was owned by TIEM that had secured original ownership through government financial assistance as part of the over-all financial package.

There was, I believe, $2.7 million allocated by TIEM to the Manitoba small business growth fund. What happened to this money? Was any TIEM money applied to Capidem, a $10 million venture capital fund in Quebec? What is the status of the approximately $1 million in investments made by TIEM in various entrepreneurial activities throughout the country?

I terminate by saying that a number of questionable operations were occurring. I can detail those if it is of use to the government. Was the government aware that it was funding in fact an operation that did not have a business plan or was not meeting its own criteria or reaching its job targets?

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the member has obviously raised many more new questions than I could possibly answer in three minutes. I would like to say on behalf of the Minister of Employment and Immigration that I am pleased to be able to discuss the renewal of the TIEM Canada contracts.

Employment and Immigration Canada's funding of TIEM Canada was provided through the innovations program. The objective of the program was to support pilot projects which test new initiatives and approaches to labour market problems before applying such approaches on a larger scale.

In any experimental initiative the risk of failure is present and many trials will have negative results. When Employment and Immigration Canada entered into a contract with TIEM Canada, one of the purposes was to test the effectiveness of a six-part approach to the

establishment and successful operation of new small businesses.

The six elements of the approach were:

(1) the TIEM centre was conceived as the initial step. The entrepreneur and the business concept would be screened and, if accepted, the entrepreneur would receive preliminary management training, legal accounting, and marketing advice.

(2) Entrepreneur growth fund—TIEM was to work with investors to raise money for investment and start-up companies.

(3) The business opportunity program—business opportunities in specific communities were to be identified and matched with appropriate entrepreneurs.

(4) Business and technology centre—TIEM was to work with government and community representatives to establish business incubators in each TIEM location.

(5) Targeted employee training service—TIEM was to work with existing training organizations to provide skilled employees for the emerging small businesses.

(6) The community advisory board—TIEM was to establish a volunteer group of community and business leaders who would act as a sounding board for the local TIEM centre and its entrepreneurs.

A second purpose of the agreement was to test whether or not a private enterprise such as TIEM Canada, using the six elements and with initial government assistance, could become profitable in selling its services to new businesses. After three years of operation, which is the maximum duration of an innovation's contract, TIEM Canada managed only to implement fully one of the six elements: the TIEM's centres located in several urban locations.

• (1915)

The contract stipulated that the company was to become financially self-sufficient after support under the Innovations Program expired. The company did not successfully make such alternate financial arrangements and it was clear that TIEM could not continue its activities without ongoing federal government funding. Following an evaluation, Employment and Immigration Canada concluded that the objective of its contracts with TIEM had not been met and would not be met if the contract was extended.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, on April 17, 1985, the Canadian Charter of Rights and Freedoms came into effect. The government appointed a special committee on equality rights around that time, an all-party parliamentary committee to examine the implications of Section 15 of the Charter of Rights and to determine what laws and policies must be changed to ensure that equality was a reality for all Canadians.

I had the honour of serving as a member of that special parliamentary committee on equality rights. The committee reported to this House in the fall of 1985. In a unanimous report concurred in by the five Conservative members of the committee, as well a Liberal member of the committee and myself, representing the New Democratic Party, the committee made a series of strong recommendations to ensure that the words in Section 15 became a reality for all Canadians.

One of the recommendations was that the Canadian Human Rights Act be amended to include specific provision for the concept of reasonable accommodation, to ensure that minorities, particularly visible minorities, should have their concerns recognized in law. Indeed, the Canadian Human Rights Commission submitted a special report to Parliament urging that action be taken on this. In the spring of 1986 the government indicated that speedy action would be taken to implement that recommendation. As well, in its response to the special parliamentary committee on equality rights and to that unanimous recommendation, the government dealt with the issue of discrimination based on sexual orientation.

The unanimous recommendation of the special parliamentary committee was that the Canadian Human Rights Act be amended to add sexual orientation as a prohibited ground of discrimination to the other grounds. The committee went on to recommend that the Canadian Armed Forces and the RCMP bring their employment practices into conformity with the Canadian

Human Rights Act, as amended, to prohibit discrimination on the basis of sexual orientation.

The government responded to that recommendation on March 4, 1986, four years ago yesterday. What was the response? The government stated it believes that one's sexual orientation is irrelevant to whether one can perform a job or use a service or facility. The Department of Justice is of the view that the courts will find that sexual orientation is encompassed by the guarantees in Section 15 of the charter. Finally, these words: "The government will take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination in relation to all areas of federal jurisdiction."

It was four years ago that that commitment was made to all Canadians, not just to lesbians, gay men and bisexuals, but to all Canadians. Four years later, we are still waiting for that promise to be kept.

The courts have indeed ruled with respect to the inclusion of sexual orientation in the Charter. Indeed, in November 1989 in the Federal Court of Canada, Trial Division, Mr. Justice Dubé ruled that Section 15 should be read as if it implicitly included sexual orientation. Judge Dubé said that sexual orientation is not a prohibited ground listed under Section 15 but "—in my view, it is an analogous ground recognized by provincial and territorial human rights acts as well as by the House of Commons parliamentary committee on equality rights."

He pointed out that a characteristic common to the enumerated grounds is that the individuals or groups involved have been victimized and stigmatized throughout history because of prejudice mostly based on fear or ignorance, as most prejudices are. Certainly, that is the case with respect to the lesbian and gay community.

There have been a number of advances in the last four years. A tribunal of the Canadian Human Rights Commission has recognized a relationship between two men for purposes of bereavement leave. As well, there are a number of challenges before the courts. Jim Egan and his partner of 42 years, Jack Nesbitt, are seeking the spousal allowance under the provisions of the Canadian pension regime. That case is going to the courts. Karen Andrews is seeking health insurance for her partner of some nine years. Derrick Dwyer and a young woman, a former officer, are challenging the policies of the Canadian Armed Forces, one of the last major bastions of institutionalized homophobia in this country, the Canadian Armed Forces.

• (1920)

It is ironic that I, as a gay man, could one day become the Minister of National Defence—the Prime Minister's ultimate nightmare—but I could not join the Canadian Armed Forces today. That is surely unacceptable in this country.

Last June, the Minister of Justice promised legislation to amend the Canadian Human Rights Act. We are still waiting. There is strong support for this amendment from many groups. The *ad hoc* committee on AIDS, chaired by the hon. member for Rosedale, has unanimously recommended that the prohibition of discrimination on the basis of sexual orientation must be added to the Canadian Human Rights Act to help us in our struggle against this terrible epidemic.

The Canadian Advisory Council on the Status of Women; the former Minister of Justice, the member for St. John's West, the Canadian Human Rights Commission, many churches, labour groups and others, are calling upon the government to keep its promise.

Finally, I want to call upon the new Minister of Justice, recently appointed, the member for Vancouver Centre, to move on this as a priority. She personally promised, during the election campaign, her constituents in Vancouver Centre that she would support this important amendment.

We have waited far too long for equality in this country. We have been infinitely patient and it is time, surely, that the lesbian, gay and bisexual community in this country was treated with full dignity, equality and respect. It is time, indeed it is long overdue, that this government moved on this important promise to amend the Canadian Human Rights Act.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Government of Canada is committed to the principles of social justice and equality. To give effect to this commitment, the government has undertaken a range of initiatives including the introduction of the Employment Equity Act. In many other areas the government has moved on a pro-active basis to address issues of equality and social justice.

In the area of equal pay, it is the law at the federal level, as provided by the Canadian Human Rights Act, that men and women be paid equal pay for work of equal value. In addition, Labour Canada has an equal pay program to ensure that equal pay is implemented in the private sector. The Treasury Board, as well, has a large scale joint union–management project under way to identify and correct any pay deficiencies in the Public Service. The government is committed to the principle of equal pay for work of equal value.

The hon. member will know that the government is committed to eliminating sexual discrimination from all areas of federal jurisdiction. The position of the government is that employment and advancement in the federal Public Service and in all government services are equally available to all individuals without regard to their sexual orientation. The government is examining the issues that arise in these circumstances because we know they are of concern to Canadians.

The government is committed to amending the Canadian Human Rights Act to incorporate the principle of reasonable accommodation. Consideration is being given to the best way of doing this. The government is examining this and a range of other issues relating to the Canadian Human Rights Act, including suggestions made by the Canadian Human Rights Commission.

The government is moving as quickly as it can to complete its review of these matters. The government continues to demonstrate its commitment to the principles of equality and social justice and to give effect to these principles on a pro–active basis.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion that the House do now adjourn is deemed to have been adopted. This House therefore stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 7.24 p.m.

HOUSE OF COMMONS

Tuesday, March 6, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

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

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF TWELFTH REPORT OF CANADIAN-NATO PARLIAMENTARY ASSOCIATION

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, as Vice-Chairman of the Canada-NATO Parliamentary Association it is my honour, pursuant to Standing Order 34, to present to the House, in both official languages, the twelfth report of the Canadian-NATO Parliamentary Association.

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

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COMMITTEES OF THE HOUSE

BILL C-5—REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Domm (Peterborough): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-5, an act to amend the Railway Act, without amendment.

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

HOUSE OF COMMONS

CHAIRMANSHIP OF SPECIAL COMMITTEE

Hon. Harvie Andre (Minister of State to Prime Minister and Government House Leader): Mr. Speaker, I would like to introduce a motion which has been discussed with the opposition parties. I believe there might be unanimous consent for the following motion:

> That notwithstanding the Order of the House made on Thursday, December 14, 1989, the Chairman of the Special Committee on the Review of the Parliament of Canada Act continue to be the Hon. Marcel Danis, member for Verchères.

Mr. Speaker: Does the government House leader have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, pursuant to Standing Order 36, I wish to table a petition from Matagami concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Matagami is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient as it concerns the northern tax benefits system. It offers no encouragement to people in the North and no incentive to make use of northern resources.

[*English*]

GOODS AND SERVICES TAX

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to present a petition on behalf of Council 4302 of the Knights of Columbus in Springhill, Nova Scotia.

These people, almost 2,000 in total, are in disagreement with the goods and services tax and are tired of being challenged and laboured by increased tax burdens. They calling upon Parliament to drop this unfair, crippling tax that has as its target low and middle income Canadians.

In addition, I have a second petition from individuals and constituents of the federal constituency, like the previous one, of Cumberland—Colchester, primarily in the Amherst area. They are also in opposition to this particular goods and services tax. They call upon Parliament to rescind the particular matter which is before Parliament at the present time.

• (1110)

EXTERNAL AFFAIRS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present a petition to this House on behalf of Mr. Yih-Sheh Leo, a Canadian citizen who has been persecuted for political reasons in Taiwan.

The petition calls upon the government to use its good offices in the Canadian Embassy in Japan and the High Commission in Hong Kong and to send a representative to Taiwan to assist Mr. Leo in protecting himself against this improper, unfair, undemocratic and inappropriate attack on freedom of speech.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition, pursuant to Standing Order 36, on behalf of a number of constituents from the constituency of Kamloops who are totally distressed that the government continues to proceed with its goods and services tax.

They point out at some length all their concerns, including the fact that it will erode their purchasing power, that it will tax critical items such as heating fuels, and that it is regionally discriminatory because it will be on transportation costs. They go on and on.

The petitioners are asking the government, even at this point, to reconsider what it is doing and to go back to the drawing-board and start all over.

BALTIC STATES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am pleased to present a petition in the House today concerning the Baltic States of Estonia, Lithuania and Latvia. Canada has not recognized the illegal annexation of the Baltic states by the Soviet Union.

Whereas Canada is a signatory to the final act of the Conference on Security and Co-operation in Europe which affirms the principle of self-determination of people, the petitioners call upon the Government of Canada to acknowledge favourably the aspirations of Canadians of Estonian heritage who stand united in their support of the Congress of Estonia, which will convene in Tallinn, Estonia, on March 11 and 12, 1990.

Canadians of Estonian heritage will be attending that particular conference and participating in it. The petitioners will express their collective will at that conference of the Estonia people as to their future for freedom.

GOODS AND SERVICES TAX

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have the honour, under Standing Order 36, to present a petition on behalf of a number of Canadians who live in the area where I grew up, the County of Haldimand in southern Ontario.

They feel like many British Columbians that the goods and services tax is a completely unfair and punitive tax. They call upon Parliament to reject the current proposal for a goods and services tax and to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

They want to ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax this would not be a massive government tax grab.

They call on the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty on behalf of citizens of Saskatoon to present a number of petitions, all dealing with the goods and services tax.

These people feel that the government has not addressed the unfair taxation system currently in place. They call upon the government to reject the goods and services tax and to bring forward a tax system which is fair to all Canadians.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have the honour to present to the House a number of petitions signed by constituents of my own riding, including people from Riverside, Newton, Guilford, Whalley, Port Mann, Bridgeview, Green Timbers, Port Kells, Johnston Heights, and Fraser Heights. They are all asking the government to abandon its proposal for the goods and services tax and to bring in fair and equitable taxation.

I also would like to inform the House that I have a large number of other petitions which were done spontaneously by citizens in the ridings, both small businesses and seniors, but unfortunately they were not in a form that could be certified by the House.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, pursuant to Standing Order 36 it is my duty and privilege to table 68 petitions which have been certified correct as to form and content.

The 1,443 signatories from Thunder Bay, Nipigon, Kakabeka Falls, Dorion, Hurkett, Red Rock, and other areas in the region I represent strongly oppose this government's proposed goods and service tax.

These constituents call upon Parliament to reject in full the misguided, regressive, nonsensical consumer tax that the government proposes to implement on January 1, 1991.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is my privilege to present this petition for people living in my district of Cardigan, P.E.I. who strongly oppose this tax.

They believe it will hit Canadians with higher taxes, higher inflation, higher interest rates, and higher unemployment, wherefore the undersigned petitioners call upon Parliament to reject this goods and services tax.

Routine Proceedings

VIA RAIL

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have two petitions signed by residents of the various communities in my riding calling upon the government to live up to its promises to keep VIA Rail as a transportation system in Canada and urging it to restore the system to its fullest.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 211, 212, 219 and 223.

[*Text*]

SHELTERS FOR BATTERED WOMEN

Question No. 211—**Ms. Black:**

Were shelters for battered women funded by the Homes for Special Care section of the Canada Assistance Plan and, if so (a) for each province and territory, what number (b) what amount of money did the government contribute to this type of home?

Hon. Henry Perrin Beatty (Minister of National Health and Welfare): Yes. (a) and (b)—See attached chart.

PROVINCE	(a) TOTAL NUMBER OF HOMES	(b) AMOUNT ($000'S)
Newfoundland	3	300
Prince Edward Island	1	100
Nova Scotia	8	800
New Brunswick	7	700
Quebec *	N/A	N/A
Ontario	56	5,400
Manitoba	5	600
Saskatchewan	9	900
Alberta	15	2,300
British Columbia	47	2,800
Northwest Territories	4	300
Yukon	1	200
TOTAL	156	14,400

* Quebec does not administer a needs test to residents of transition homes. Therefore, Canada Assistance Plan cannot share in any costs related to such facilities.

VIA RAIL STATISTICS

Question No. 212—**Ms. Black:**

For the last year for which Statistics Canada has figures, for the (a) Atlantic (b) Quebec (c) Ontario (d) British Columbia region, what proportions of male and female passengers were carried by VIA Rail?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Statistics Canada reports:

Statistics Canada Collects data only on the total number of passengers carried by VIA Rail and since these data are based on tickets sold, they do not distinguish between male and female passengers. No breakdown is available by province.

Latest figures available are as follows:

	CANADA (,000)
1988	6,268
To November 1989 (cumulative)	5,447

SOURCE: Statistics Canada, Catalogue number 52-003.

SALES TAX INVENTORY REBATES

Question No. 219—**Mr. Bird:**

Under the new Goods and Services Tax, will Canadian businesses receive a refund for taxes that they have paid on existing stocks and inventories as of January 1, 1991, and if so in what way (a) are the inventories to be evaluated (b) will tax refunds be calculated?

Hon. Otto John Jelinek (Minister of National Revenue): Yes, under the new Goods and Services Tax (GST), eligible Canadian businesses will receive a rebate of the federal sales tax paid on goods for sale, lease or rental in inventory on GST implementation day.

(a) The method used to evaluate the inventory will be the same as the method adopted for income tax and financial statement presentation purposes. Rebates in respect of gasoline and diesel fuels will be a specific amount per litre, based on the per litre FST rate on these items on December 31, 1990.

(b) The calculation of inventory rebates will be based on prescribed rebate factors in all cases. There will be separate rebate factors for gasoline, diesel fuel, motor vehicles, construction materials/equipment for buildings, and for other taxable goods. The gasoline and diesel fuel rebate factors will be applied to the volume of the inventory, that is the number of litres of product. All other rebate factors will be applied to the tax-paid inventory value of goods for sale, lease or rental.

CANADA ASSISTANCE PLAN FUNDING

Question No. 223—**Mr. Gardiner:**

Have any organizations or government departments in the riding of Prince George—Bulkley Valley received Canada Assistance Plan funding and, if so (a) what are their (i) names (ii) addresses (b) in each case, what dollar amounts have they received?

Hon. Henry Perrin Beatty (Minister of National Health and Welfare): Canada Assistance Plan contributions are not paid to individual organizations or government departments in respect of individual parliamentary ridings. The Canada Assistance Plan reimburses provincial governments 50 per cent of eligible costs incurred in respect of shareable social assistance and social service programs as defined by the Act and Regulations. No funds are paid directly to individual organizations or departments.

[*English*]

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

Mr. Speaker: The questions as enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

[*Translation*]

POINT OF ORDER

S. O. 52—SPEAKER'S RULING

Mr. Speaker: On Tuesday, January 23, 1990, the hon. member for Ottawa-Vanier rose on a point of order to express concerns about the operation of certain aspects of Standing Order 52, which is, of course, the Standing Order pertaining to emergency debates. In the ensuing

procedural discussion, the Chair heard comment from the hon. member from Kamloops, from the Parliamentary Secretary to the Government House Leader and from the hon. member from Glengarry–Prescott–Russell.

[*English*]

At issue was the disposition of a number of applications for emergency debates of which notice had been given for the previous day, Monday, January 22, 1990. Members had been precluded from proceeding with these applications on that Monday because the House adopted a motion to move to Orders of the Day.

In the spirit of co–operation which sometimes prevails in this place it was agreed that those applications would be deemed to be before the House the following day. They were dealt with on Tuesday, January 23, on that basis. That agreement was made subject to the express proviso that it not constitute a precedent.

The Chair undertook to reflect upon the interpretation to be accorded to this aspect of Standing Order 52 and to deal with the intricacies of the procedural matter at another time. The Chair is now prepared to share with the House the results of that consideration.

[*Translation*]

Hon. members are all familiar with the provisions of Standing Order 52, by which a member may seek permission to move the adjournment of the House in order to debate a "specific and important matter requiring urgent consideration". These emergency debates as they are known are held only when a number of hurdles as spelled out in Standing Order 52 have been crossed. In particular, Standing Order 52 (2) provides that any member wishing to move the adjournment of the House under the terms of this Standing Order must give to the Speaker, at least one hour before raising it in the House, a written statement of the matter proposed to be discussed.

[*English*]

The items of concern addressed in the procedural exchange on this issue may be conveniently and fairly, I believe, summarized as follows.

First, concern was expressed that when a motion to move to Orders of the Day pre–empts reaching that point in Routine Proceedings at which leave to seek an emergency debate may be sought, the system is then short–circuited and the opportunity to present an application is not protected.

Second, it was contended that any notices to the Speaker requesting an emergency debate which are precluded from being presented on a given day should be held over and called on the next day when applications pursuant to Standing Order 52 would normally be reached.

• (1120)

In response to the first point I think it should be emphasized that the decision to move to Orders of the Day is one which is made by the House usually on the basis of a recorded division, presumably with full knowledge of the consequences, whatever they may be, of doing so. That being so I do not think it incumbent upon the Chair to second guess the decision of the House and its ramifications, and I would decline any invitation to do so.

As to whether notices of intention to request an emergency debate should be held over and called at the first opportunity, I have severe reservations in this regard.

The specific and important matters requiring urgent consideration, according to Standing Order 52(1), call by definition for immediate action or decision or attention. If that immediate attention is not accorded, it stands to reason that the nature of the matter may change. A delay of even 24 hours may serve either to diffuse or escalate the situation so that it is no longer an emergency or, conversely, it is even more critical. For this reason the Chair is reluctant to institute what would be a new practice of holding over such notices.

This reluctance is enforced by the consciousness that were notices to be held over, some hon. members may for a variety of valid reasons not be prepared to proceed with them on a subsequent occasion.

Furthermore, the Chair is sensitive to the fact that hon. members may wish to retain for themselves the prerogative of resubmitting notices, because in framing each successive application they have the opportunity to capture with precision the changing elements which give rise to the request for an emergency debate and which may bear heavily on the ultimate success of the application.

I would ask hon. members to remember that on a number of occasions when applications have come to the Chair and I have decided not to proceed with an adjournment of House business for an emergency debate, I have often remarked that it would not be appropriate to do so, and I use the words "at this time". The reason for that, of course, is that circumstances can change very rapidly, especially in an area where there is concern with respect to the necessity to have an emergency debate.

[*Translation*]

The Chair is pleased to have had this opportunity to relate to the House the considerations which have informed its decision to continue the existing practice with regard to notices submitted pursuant to Standing Order 52.

[*English*]

I thank hon. members for their assistance in this matter.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, March 5, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government; and the amendment of Mr. Young (Gloucester) (p. 8636).

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, later today we are to vote on an amendment presented by the Liberal finance critic, the member for Gloucester, which sets out clearly and concisely why we believe this budget should be defeated.

Liberals reject this budget for the same reasons that Canadians reject it. This budget is a blueprint for a made in Canada recession. This budget creates new taxes, despite the minister's claim that this is a no tax budget.

This budget abandons the federal government's responsibility for health care, veterans, post-secondary education, and regional development. This budget in fact widens the gap between rich and poor, between rich and poor regions. This budget is an attempt by the Minister of Finance to shift the spotlight of blame for the economy away from himself and on to the provinces.

With this budget the Minister of Finance is trying to avoid his responsibility for the economic mess which he himself created. He is attempting to transfer that responsibility to the provincial governments and to low and middle income Canadians.

He is doing it because this is a government which thinks that Canadians can be fooled and manipulated into thinking that someone else is responsible: that it is the provinces, the workers, the students, the poor, the opposition parties, past governments, or heaven knows who else got us into this mess.

I can tell the minister that Canadians are not going to be fooled. Canadians can see right through this shallow attempt to avoid responsibility.

What it comes down to is that Canadians simply do not believe anything this government says any more.

Some hon. members: Hear, hear!

Mr. Gray (Windsor West): Canadians know that this is the same Minister of Finance who in 1984 said "We will not raise taxes" but who has raised taxes a total of 32 times and by billions and billions of dollars since 1984.

"Tax increases," he said, "were necessary to reduce the deficit and the public debt". But the public debt has skyrocketed. The Minister of Finance started with a public debt of $170 billion in 1984 and has more than doubled that to $351 billion in only five years.

Canadians also know that in 1985 the minister said that by 1990, this year, the deficit would be $17 billion. He missed that mark by over $10 billion. Now he is saying that by 1994–95 he will have it down to $10 billion.

Quite frankly, Canadians do not believe the Minister of Finance's optimistic projections; they have heard it all before.

All the minister's projections are based on his assumption of an interest rate of four to five percentage points lower than what it is today. This is the Minister of Finance who has been supporting and agreeing with the Bank of Canada's current high interest rate policy. If the minister would show some leadership to bring those

rates down, maybe more people would believe his projections.

Canadians know that this Prime Minister is the same one who said that pensions were a "sacred trust never to be tampered with" and who then attempted to deindex old age pensions and is now trying to claw back seniors' pensions.

Canadians know that we are talking about the same Minister of Finance who called us liars in the last election campaign when we said that he would cut funding for health care, education and regional development but who is now doing exactly that.

When the Prime Minister was asked some 10 days ago at his first press conference in three years why his was the most unpopular government in Canadian history, he had no real answer. He refused to acknowledge the fact that if his government is the most unpopular government in history, there is good reason for it, starting with himself and the Minister of Finance.

The Prime Minister should not only have been apologizing for the misleading and fraudulent behaviour of his government; he should have announced a reversal of that behaviour, starting with the withdrawal of this budget.

In August 1989 the Prime Minister said, and I quote: "We are going to focus more and more of our attention and resources on long-term investment in people, education, literacy and the upgrading of skills". This budget does exactly the opposite.

This budget is nothing but recycled Reaganomics, a theory already discredited and abandoned in the United States but still believed in by this Tory government. It is a new form of trickle down theory, applied to provincially administered programs such as health care, education and welfare.

What the minister is saying to the provinces is: "I am going to cut your funding down to a trickle, and I do not care if health standards go down. I do not care if family service payments go down. I do not care about the human costs. That is not my problem". That is what the Minister of Finance is saying in his budget and that is what Canadians do not want.

The minister seems surprised that the provincial governments object to his transparent attempt to stick them with his problem. He seems surprised when they say that taking $7.3 billion from the provincial treasuries for health care and education will have a negative impact.

• (1130)

Of course it will have a negative impact. It will have a dramatic and negative impact on the ability of provincial governments to deliver what Canadians look on as national programs.

He is weakening the ability of our national government to ensure national standards on health care and education. He is weakening the rationale, the need for a strong national government. In his budget, the Minister of Finance is weakening the basis for national unity in Canada, and at the worst possible time.

Let us consider what Don Getty, the premier of Alberta—one of the few remaining Tory premiers—had to say about this budget: "I am not sure who is speaking for Alberta in Ottawa, but I think there is obviously an effort here in a way that I think is unfair to unload the federal deficit on the provinces." He obviously does not think much of the member for Yellowhead or the Deputy Prime Minister. He does not know who is supposed to be speaking for Alberta in Ottawa.

[*Translation*]

Mr. Speaker, Marc-Yvan Côté, the Quebec Health and Social Services Minister, had the following to say about a statement by the Minister of Finance that cutbacks would have no impact on the provinces, and I quote: "When Michael Wilson claims his mismanagement will have no impact on health services in Quebec, to me he sounds more like a guy from Bay Street than from Quebec City."

In any case, Mr. Speaker, the minister can hardly be expected to know what impact cutbacks will have on the provinces since he did not consult them. And how can the minister reconcile today's actions with what he said when he was on the other side of the House? In 1982, he stated that consultations with the provinces were imperative before any budget cutbacks that would involve closing hospitals and reducing assistance to postsecondary education. He also said that we should not turn hospitals, universities and colleges into a battleground for federal and provincial governments.

Mr. Speaker, when I asked the minister why he didn't take his own advice, he had no answer. This tells us a lot about the new era of federal–provincial harmony and reconciliation announced by the Prime Minister.

Mr. Speaker, the 1990 Budget undermines national unity at a particularly unfortunate time.

[*English*]

Neither did the Minister of Finance bother to consult the provinces about his cuts to the Canada Assistance Plan. That is the program with which the federal government shares with the provinces half the cost of social assistance in this country. Even for Tories, this budget sets new lows for heartlessness.

We have a situation where thousands and thousands of Canadians are lining up at food banks across this country, where 1.2 million children are living below the poverty line, where thousands of single parents are struggling to feed and clothe themselves and their children, where thousands of elderly Canadians face the indignity of having to rely on private charity for basic necessities and where thousands of the working poor are facing increasing roadblocks to a decent standard of living.

This government is making things worse for the poorest of the poor in this country, not better.

[*Translation*]

First, the government is trying to eliminate the federal contribution of $2 billion to the Unemployment Insurance Plan. It is tightening the eligibility criteria by increasing the number of insurable weeks required in most cases and by decreasing the number of weeks of benefits, so that if the jobless are able to benefit from it, it is for a shorter time. Mr. Speaker, the government is quite a help—!

Finally, to those who have used up their benefits and must turn to welfare, the Minister of Finance is saying, "Yes, I am reducing the Canada Assistance Plan and transfers. Too bad, but that's how it is! The international financial community for which I must polish my image is more important to me that the children you have to feed". That seems to be the Finance Minister's thinking.

Mr. Speaker, the minister is not satisfied with failing in his duty to protect the disadvantaged. He is violating the agreement with the provinces whereby he bears half the cost of welfare and other social measures under the Canada Assistance Plan. Is it any wonder that the provincial governments are taking the Finance Minister to court? This is unprecedented in the history of these agreements.

[*English*]

The needs of low and middle income Canadians is not something this government ever cared about. If we add up all the tax measures since 1984, the numbers are shocking. It is a catalogue of unfairness.

Let us look at the impact on a one earner family of four people. If they are at the poverty level, $23,600 a year, the tax increase has been 61 per cent. If they are at the average income level of some $45,000 a year, the tax increase has been 29 per cent. But if they are people who could be considered to be rich, earning above $100,000 a year, the tax increase has been only 8 per cent. That is not fair. Canadians know it is not fair. That is why Canadians are rejecting the economic policies of the government. They know also that the goods and services tax will add to the unfair tax burden on middle and lower income Canadians that was created by this government.

The Tory philosophy is the Darwinian survival of the fittest approach, and according to the Tories, the fittest seem to be the very rich and the very big corporations.

In 1991 the government will collect $2.4 billion less in corporate taxes than it predicted last year. This fits in with the over–all reduction in the corporate share of total federal revenues which accounted for 13.2 per cent of all revenues in 1984–85, but only 10.4 per cent in 1990–91.

Speaking of gifts to corporations, the government is also preparing to give away Petro–Canada. This corporation was set up by the Canadian government to serve all the people of Canada. It was supposed to be a vehicle to ensure that Canadians benefited from the tapping of new energy supplies and greater Canadian control of the energy sector. It was to be our window on the industry. But since 1984, the government has dramatically reduced Petro–Canada's role as an instrument of public policy. With this budget it is closing the window and giving away even more Canadian control of our energy sector.

How is the government treating disadvantaged regions? For example, how is it responding to the crisis in the fishery in Atlantic Canada? Obviously, the Minister

of Finance is taking his cue from the Prime Minister who said, and I quote: "There is no crisis in Atlantic Canada".

Instead of helping Atlantic Canada in this budget, the minister is beginning to put an end to regional development grants. The reason for this is simple. The Conservatives signed a trade deal—a very bad deal—with the United States. The United States wants to have regional development grant assistance ended in this country. The Minister of Finance is not even waiting for the subsidy negotiations to start. He is giving the Americans what they want before they formally ask for it and Atlantic Canadians are going to pay the price.

So are the people of British Columbia who are being thrown out of work with the cancellation of the *Polar 8* ice-breaker. Again the government made ringing commitments about not putting a price on the defence of our Arctic sovereignty. What happened? It did put a price on it. Suddenly Arctic sovereignty was too expensive. I think the Mayor of Esquimalt was speaking for all Canadians when he said: "I'm angry because they lied to us. We really feel betrayed." The betrayal does not end there.

We now have a desperate crisis in western agriculture and the government is silent. There is nothing in this budget to deal with this crisis in spite of the urgent pleas of one of the other remaining Tory premiers, the premier of Saskatchewan, whom we heard on television last night.

• (1140)

The crisis in western agriculture is, like the crisis in the Atlantic fishery, a crisis, a matter of concern for all Canadians. This government is silent. It is doing nothing.

[*Translation*]

Mr. Speaker, the minister is taking the same attitude toward women's groups. He has made outright cuts in the budgets for programs that are essential to battered and mistreated women or that are used to promote equal opportunity for women and remove the historic social injustice done to them.

These funds were used to remove obstacles to full equality for Canadian women.

[*English*]

Equally shameful is the treatment the minister has meted out to the aboriginal people of this country. He is slashing funding for native groups, funding which supports native broadcasting and native newspapers. What the minister, however, callously overlooks is that native broadcasting and native newspapers perform a vital service, a service native communities cannot be without. As was pointed out by my colleague, the member for Western Arctic, the minister has forgotten that it was the native newspapers that continued to expose the facts that led to the reopening of the Donald Marshall case and intensified the fight for native equality in our justice system.

Liberal governments understood that less advantaged Canadians needed help to make sure that their voices were heard in the formulation of public policy in this country. We helped establish and fund advocacy groups to do that. We did not always like what we heard from them. We were not always comfortable when they told us that this policy or that policy needed to be changed. But we believed that they had a right to be heard. The point is, we set up and helped fund these groups so that as a government we could make decisions which incorporated the views and aspirations of the widest number of people and so that these groups could inform and challenge other Canadians and each other.

This government does not like to hear criticism. This government does not like to be told that a certain policy direction is not working or is hurting a particular group of people. The government's answer is simple: shoot the messenger. Silence the groups that deliver the bad news by cutting off their funding. That is not only mean, it is also short-sighted and ultimately counter-productive.

Perhaps the ultimate in short-sightedness is the failure yet again of the government to bring in a child care program. This government has been promising a child care program for nearly six years. Canadian parents and Canadian children are still waiting.

Writing in *The Toronto Star* last week about the Prime Minister's 1984 election commitment to create a child care program, Doris Anderson, former chairperson of the National Advisory Council on the Status of Women

stated: "The lies were so preposterous, even for a politician, that we almost believed them".

Remember the last election? The Minister of Finance said all of his spending commitments were taken care of. He said they were not promises. He said the money was already set aside. No problem with child care. It would start the day the government was re-elected.

But that was then and this is now. The minister put Canadian children on hold once again. Not only is there no new national child care program but instead, in his cuts to the provinces for the Canada Assistance Plan, the Minister of Finance is reducing the limited money there already is for provincial child care spaces. No new program and even less than there was before for child care across the country.

This budget is not only a further betrayal of the children who are our hope for the future, it is also a betrayal of those whose sacrifices helped ensure that all of us had a future in a free and democratic country.

Many of our war veterans in long term care will have to pay thousands of dollars more for board and lodging as a result of this budget. That is over and above the doubling of those fees in 1985 by this Conservative government.

That is a shameful way to treat those brave men and women who were willing to lay down their lives for this country. They fought for us when we were in need. We should be fighting for them now when they are in need. We should not be forcing them to pay more just because the Minister of Finance failed basic bookkeeping. I can assure you, Mr. Speaker, that we in this party will not abandon the war veterans of this country.

Some hon. members: Hear, hear!

Mr. Gray (Windsor West): We will also not abandon the low and middle income Canadians, including veterans, who are going to be hit with the biggest and most regressive new tax in our history, the new 7 per cent goods and services tax.

[*Translation*]

Mr. Speaker, the minister boasts of bringing in a budget with no new taxes. He no doubt thinks that we should thank him for it, that Canadians should be dancing in the streets. It is a big joke. No new taxes, my eye! The government increased Canadians' tax burden in at least four ways. First, it cut $7.3 billion from transfers to the provinces, forcing the provincial governments to raise their taxes. The minister is passing the buck, seemingly unaware that federal taxpayers are also provincial taxpayers. With his new budget, they will have to pay and pay and pay.

Secondly, Mr. Speaker, as a result of the deindexation of individual income tax introduced by the Finance Minister in 1985, Canadians will pay 3 per cent more this year and lose 3 per cent of the tax credit. Thirdly, Canadians will pay $2.1 billion more in additional taxes in 1990 because of the measures in last year's Budget. The government's clawback of old age pensions and family allowances means the end of universality.

Mr. Speaker, the surtax on individual income climbs to 5 per cent. The excise tax on gasoline goes up another cent a litre. A whole series of other measures takes effect this year.

[*English*]

To say that this is a no-tax budget is like saying that just because people do not celebrate their birthdays they are not getting any older. I have to say that, as the months go by, this government is getting older but it sure is not getting any wiser, nor is it getting any fairer.

This brings me to the fourth new tax the minister does not include when he calls this a no-tax budget. I am talking about the new goods and services tax, the unwisest and unfairest tax of all. When the Minister of Finance launched us down the road toward this new tax he made a number of commitments about what kind of a tax it was going to be. He set out a number of tests which he promised the new tax would meet or there would be no such new tax.

One of the first preconditions the minister set out for his new tax was that it needed provincial co-operation. He said such a tax would be unworkable without it. How many provinces have signed up to totally integrate their sales tax with the federal government's? Not a single one. Now, according to the minister, provincial co-operation which only a few months ago was vital is not really necessary and he is proceeding with his tax without provincial co-operation in any event. Yet the minister wonders why Canadians do not believe what he says any more.

• (1150)

The next commitment was that the new tax was going to be simple. Instead of a simple tax, the minister has given us 323 pages of legislation filed with so much convoluted language and so many complex mathematical formulae, it is not simple at all. No wonder the head of the Canadian Federation of Independent Business calls this tax a nightmare. It is no wonder that the most recent issue of *Small Business* magazine contains a poll showing that only 4 per cent of their readers, who are all business people and who were supposed to be supportive of this GST idea, are willing to accept this tax.

If this tax goes through, Canada becomes the only country in the industrialized world with two sales tax systems. That means two calculations at every point of sale in all provinces except Alberta. They do not like this tax there at all, as we see on television night after night.

It means two sets of books and two sets of remittances, one to Ottawa and one to the provincial capital. Just to make sure everybody fills out the right forms in triplicate and sends in the right amount of tax, this government is hiring a veritable army of some 4,000 new tax police just to collect this new tax.

What about the great promise that the new tax would be visible? That commitment did not last long either. Now the minister says he cannot deliver on that promise to make it truly visible, to have it show up on bills, prices on the shelves and on cash registers. He says he cannot do that by law. He now says that the Constitution prevents him from doing that. The question Canadians are asking is: "How come it was possible when he made the commitment but now it isn't? The Constitution has not changed. Was the minister not being honest when he made the commitment, or is he not being honest now?".

What about the promise to reduce the income tax rate on middle income Canadians when he brought in his new goods and services tax? The minister has broken that promise. The tax rate will stay the same.

What about his promise to eliminate the 3 per cent surtax on income tax when the new sales tax came in? He did not eliminate it, he raised it to 5 per cent.

What about his promise that the new tax would not be inflationary? It was a strange promise to make in the first place because how can a tax that raised the price of everything by billions of dollars not be inflationary? Of course the minister has set out the most hopeful scenario in his budget documents, predicting that there will only be a 1 per cent or 2 per cent impact on inflation, and that will only happen during the transition period.

I do not think anybody believes that either.

I say the minister is not telling the whole story. He is making an assumption about how business will respond to the changeover from the current manufacturers' sales tax to his new tax. His assumption is that every single business in Canada now paying the old tax will adjust every single price to reflect only the new tax by taking out the old one. It is beyond belief that every business will take out the current 13.5 per cent manufacturers' sales tax from their prices and pass on all of the resulting benefits from this reduction to their customers immediately or even over a longer period.

Furthermore, why should Canadians sit by quietly and watch their purchasing power be eroded by this new goods and services tax on everything sold in this country? Workers have already told the Minister of Finance that they are not going to allow their purchasing power to be lowered by this new tax and one can well understand their point of view.

What about the effect on the economy of the government's proposed goods and services tax? In his budget documents, the minister himself is predicting higher unemployment and lower growth, in fact almost no growth in the coming year. By the minister's own admission, we are heading into an economic slowdown but he is pushing ahead with this new goods and services tax anyway.

As the right hon. member for Vancouver Quadra well pointed out in this House on January 29 of this year, speaking in the second reading debate on the GST legislation: "This tax could well push us into a recession".

Another memorable commitment made by the minister about his new tax was that it would be what he called "revenue neutral". He said it would not raise any more tax than the existing manufacturers' sales tax. Most Canadians hoped that meant they would pay the same amount, that it would just be collected differently and that it would not be a massive tax grab, which it has turned out to be.

If you look at the current budget documents, you can see that the government admits that in 1991 alone, if this tax goes into effect, it will collect $1.9 billion more than it had predicted, even after giving an adjustment of several billion dollars to business for their inventories on which they had already paid the old manufacturers' sales tax. So much for the minister's claim that his goods and services tax would be revenue neutral.

Also, consider the fact that in 1984, when this Conservative Government was sworn in, the federal government collected about $8 billion from Canadians with the manufacturers' sales tax. But in 1991, if the goods and services tax goes into effect, the government will collect about $23 billion or three times as much in sales taxes as were collected in 1984. The minister can talk about "revenue neutral" as much as he wants, but the simple fact is that Canadians are going to pay three times as much sales tax in 1991 if the GST goes into effect as they paid in 1984. That is an enormous tax increase no matter how you slice it.

Yet, the Minister of Finance continues to insist that all families earning less than $30,000 will be better off with this new tax. According to a recent study by the respected Institute for Research on Public Policy, about one third of all families making under $30,000 a year will be worse off with this tax. This study also shows that for all income groups, with the GST 83 per cent of all families will either face no change or will be worse off.

You can see why this government wants to do everything in its power to shut down debate on this new tax. It has imposed closure to force second reading of the GST legislation through this House. It is simply not listening to the vast majority of Canadians who are telling the government to scrap this tax. Canadians want to be heard on this issue. They deserve better than they are getting from this Conservative government. Canadians deserve to have their views heard. They deserve to have their views respected.

We Liberals want to give Canadians that opportunity to be heard. To date we have presented, here on Parliament Hill, some 600,000 signatures against this tax. Now, during the week of March 12 to 16, next week, we will add to this petition drive by setting up a national telephone hotline number to give every Canadian taxpayer, every Canadian, the opportunity to call and say "no" to the GST. All they have to do is call 1–900–720–6052, and they will be able to register their opposition to this goods and services tax.

Some hon. members: What was that number again?

Mr. Gray (Windsor West): That number once again is 1–900–720–6052

[*Translation*]

It is essential, Mr. Speaker, for all Canadians to call 1–900–720–6052 to let the government know about their opposition to this general sales tax, a harmful tax for all Canadians, for our economy and our country.

• (1200)

[*English*]

We, in opposing this tax, are inviting all Canadians to register their opposition to it. Obviously, the message of Liberals and of Canadians to the Prime Minister is, "Scrap this tax now".

Budgets are supposed to be about building for the future. Budgets are supposed to be the application of the government's vision for a stronger and a fairer Canada. Budgets are supposed to be blueprints for economic growth and development. Budgets are supposed to represent our collective response to the needs and aspirations of all Canadians.

This Conservative budget is none of these things. This budget is nothing but a prescription for a made–in–Canada recession. It will dramatically widen the already growing gap between the rich and the poor in this country, and between the rich and poor regions of this country. As my colleague the hon. member for Humber—St. Barbe—Baie Verte said a few days ago, it is a battle plan for a war between the provinces and the federal government. As I said earlier in this speech, that is something that we do not need now. This is the worse possible time to put further strains on the unity of this country. This government should have presented a budget to strengthen our unity, not to begin tearing it apart.

For disadvantaged Canadians, this is not a budget of hope; it is a budget of despair. It is a budget which demonstrates that this government's priority is not compassion for the disadvantaged but a ruthless attempt to cover up its own mismanagement by putting an ever–increasing burden on the backs of veterans, wom-

en, natives, students, as well as the sick, the unemployed and the elderly, those least able to defend themselves.

This is a budget which attempts to stifle dissent and undermines our economy by undermining the basic social programs we are proud of and believe in, such as health care and education. It is the budget of a government that is attempting to shift the blame on to others for its own incompetence and its own mismanagement.

This is a budget which deserves to be defeated. I assure you, Mr. Speaker, that we Liberals on this side of the House intend to do everything in our power to do just that, to defeat this budget. I believe that even if the Tory majority prevails in votes in this House, Canadians will vote against the whole sad record of this government and will soundly defeat this government in the next election. I believe Canadians will long remember this budget and, as a result, the Conservatives will long regret their decision ever to have presented it to this House.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): There are no questions or comments. The hon. member for Yorkton—Melville on a point of order.

Mr. Nystrom: Mr. Speaker, there has been a long-standing tradition in the House that with unanimous consent and if the member agrees, we can ask a question or two. I wonder if I could ask whether there is unanimous consent to ask a question of the Leader of the Opposition.

The Acting Speaker (Mr. Paproski): Is there consent?

Mr. Gauthier: Just a minute.

The Acting Speaker (Mr. Paproski): There either is consent or there is not consent.

Mr. Gauthier: Can I speak to this?

The Acting Speaker (Mr. Paproski): No. Is there consent to ask the hon. member for Windsor West a question?

Mr. Saint-Julien: No.

Mr. Gauthier: Let the record show the Tories said "no".

The Acting Speaker (Mr. Paproski): The hon. Minister of Supply and Services on debate.

The Budget

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, it is a pleasure for me to be able to rise and address the House this morning regarding the budget. We have just heard a spell-binding speech—

Some hon. members: Hear, hear!

Mr. Duhamel: There's an honest Tory.

Mr. Dick: You will realize there are many honest Tories over here. However, the speech was rather ineffectual, negative in all matters and it did not have one positive thing to say. It talked about "spending, spending, spending" which was the Liberal habit and how we got into this difficulty. It did not talk about restraint or cutting in any areas which we have to do, as everyone recognizes. Most of all, it was completely bankrupt in that it did not have one fresh, new idea.

Like everything else the Liberals have produced in the last five and a half years, they do not have any new ideas. I can honestly say that my hon. friends in the New Democratic Party do have innovative new ideas. They are somewhat left of Mr. Gorbachev's in most cases but, on the other hand, they would only bankrupt the country. However, they are innovative and new and the Liberals cannot even find that.

The Liberals are the ones that promise this and that and that they are going to be very up and up. They are the ones, if you think back to the seventies, who said we would never have wage and price controls. They said they would never increase the tax on gasoline by 18 cents a gallon, then they doubled it to 36 cents. I remember when they said they had wrestled inflation to the ground. I remember when they said they would have no referendum on sovereignty association; there was one. I remember when they said separatism was dead; it is not dead.

They have continually misrepresented the facts. In the last election campaign they even said that Canadians were going to lose medicare and their old age pensions. This was far from the truth and they were called to the point on that.

I have been looking forward to my opportunity to speak on the budget so that, along with some of my colleagues, I can present some of the facts and truths with regard to the current national picture. I have listened to the debate over the past days and I must say that in listening to the opposition I have come to fear that their objective analysis has been sacrificed for political expediency. That is always the case in political debates, but the facts have been mercilessly trampled in

a rush to try and get the negative headline. Let us look at just a few of these facts.

In 1984, my colleague the Minister of Finance, introduced our agenda for economic renewal. We have been moving to implement that plan on a consistent basis ever since. The plan is aimed at such sensible objectives as reducing our budget deficit, controlling the growth of the national debt, removing obstacles from Canada's economic growth and encouraging innovation and competitiveness in the business sector.

Our plan is working. There are factual independent measurements of its progress. There have been some 1.6 million new jobs created in Canada in the past five years. Of those, 85 per cent are full-time jobs and 58 per cent of them have been filled by women. The unemployment rates have dropped in every region of this country since September of 1984. Youth unemployment has dropped as more and more young people have joined in our economic renewal, a renewal that is being been led by progressive and successful businesses and industries.

In the keystone province of Ontario, investment spending has been strong and the province's gross domestic product has grown substantially with an annual growth rate of 4.7 per cent since 1985.

When the people of Canada rejected the spendthrift government in the general election of 1984 and decided instead to bring this government to office, that federal Liberal government was spending $16 billion more each year on programs than it was collecting in revenues. There was a massive operating deficit. That is how the Liberals manage finances. They thought they could spend their way to happiness.

Today, instead of an operating deficit, we have an operating surplus. The amount by which revenues exceed program spending is $9 billion. That is a $25 billion turnaround in five years. When we took office five and a half years ago the national debt was about $200 billion. That represented nearly half of the nation's gross domestic product.

When the party opposite took office in 1980 the public debt amounted to $85 billion. In their four short years before we took office they had increased that debt by 250 per cent to $200 billion. It has grown from $200 billion, by 75 per cent, to $350 billion in the five years since we have taken over. Eighty per cent of the growth of the national debt during our five years in office has been as a result of the compound interest pressure on the original $200 billion debt we inherited in 1984. These are economic realities which the opposition may not understand.

• (1210)

Our plan has included policies designed to make Canadian businesses more competitive in what is increasingly a global market-place. We have deregulation of the energy, transportation and financial services sectors, privatization of government enterprise, and reform of the income tax system. We have entered into a free trade agreement with the United States and introduced measures to improve the flexibility and skills of our labour force. We will contribute nearly $1.7 billion to job creation and labour force adjustment this year. At the same time, we have tackled the federal government's longstanding financial mess.

The annual deficit has been reduced by about $9.5 billion below its level in 1984–85. Our goal is to continue to reduce that deficit and, all being well, by the year 1994–95 we will eliminate the government's need to borrow from the market-place.

Let us talk about government spending for a moment. Some people have suggested that the government has not been serious about reducing its expenditures. When John Turner was the federal finance minister, growth in government spending averaged 20.2 per cent annually. Even in the last Liberal government, from 1980 to 1984, growth in government spending grew by 13.5 per cent. In the last five and one-half years under the present Minister of Finance we have held growth in program spending to below the rate of inflation, at 3.5 per cent. Over the past five years expenditure restraint has provided the largest share of deficit reduction.

If we look at it another way, relative to the size of the economy, program expenditures have fallen three percentage points over this period. They used to consume 19.5 per cent of gross domestic product. From 1984–85 to the present year they have dropped to 16.5 per cent.

If we had continued that wasteful spending attitude which the Liberals had in 1984, at the present rate, at the 19.5 level, we would be spending $22 billion more this fiscal year than we actually are. In actual expenditures, this government in five and one-half years, has lowered the cost of government operations. Overhead on light, heat, wages, telephones and computers has fallen by 10

per cent. I suggest that not many businesses could fall in that category.

We have been prudent. We have trimmed the size of the public service. It has been reduced by 12,000 person-years. It is back to the level it was 17 years ago, in 1973. As I mentioned, in the four years ending in 1988-89, the growth in federal program expenditures averaged only 3.5 per cent a year. This contrasts with an average annual growth of some of the provincial governments, taken as a whole, of 6.54 per cent, led by Ontario which is fuelling inflation in this country with an inflationary high of 9.5 per cent.

I mentioned the reduction in the size of the federal civil service. This compares very favourably when viewed in the context of what is happening in Queen's Park. You would think the provincial government would have learned. But no, when the Liberals were chased out of Ottawa as the government in 1984 they showed up in 1985 behind Mr. Peterson's Liberals in Toronto. Lo and behold, while this government has struggled to trim the Public Service by 12,000 people, the Liberals in Ontario have expanded their operations with a reckless abandon, increasing the provincial public service by 7,000 people. I guess that is what they call Liberal job creation. It has now put people on the public payroll.

While Ottawa has tightened its belt, some of the provinces—notably Ontario—have increased their spending, oblivious to the economic realities staring them in the face. This has caused inflationary pressures in Toronto and the golden horseshoe of Ontario. This has helped to increase interest rates.

The trouble is that all other parts of this country are paying the price for the inflationary pressures caused by the Liberal government in the province of Ontario. There is one monetary policy in this country. All the other provinces have to pay the increased interest rates that are necessary to try to cool out the inflation caused by the ridiculously high expenditures of Mr. Peterson's government in Toronto.

Some of our critics have claimed that restraining federal transfer payments to the provinces will harm the delivery of important social services. I think we should set the record straight. If the province of Ontario were to reduce its Liberal spendthrift ways by only one-half of 1 per cent in year one and by 1.25 per cent in year two, it would easily meet its budgetary requirements. That is just 1 per cent over two years.

Let us be clear on some points which members usually try to hide. We are restraining expenditures. We are not erasing them. The figures speak for themselves. Direct transfers to other levels of government rose from $23.8 billion.

The Acting Speaker (Mr. Paproski): We are sending over a little lukewarm water for the minister. It might help his throat. It's an old Ukrainian remedy.

Mr. Dick: I appreciate that, Mr. Speaker. If you have an old Ukrainian remedy to get rid of my cold completely, I would like to take that. You should patent it, Mr. Speaker. You might do very well.

Mr. Marchi: Send us over a bucket.

Mr. Nault: Yes, we are having trouble swallowing it too.

Mr. Dick: That's not a bad line. You should try it on the stuff that your leader gave out today.

Direct transfers to other levels of government rose from $23.8 billion to $25.1 billion. That is a 5.2 per cent increase. In this budget we have increased payments which go directly to individuals by more than 7 per cent. They are going up to $35.8 billion in total. Transfer payments from the federal government have risen over the last year by nearly 5 per cent and combined they now total $72.6 billion. That is nearly half of all federal government spending.

Our critics say, quite irresponsibly I might add, that we are attacking post-secondary education. It seems to me that they concentrate their gaze on what is known as the EPF, or Established Programs Financing. This is money totalling nearly $10 billion. It was the Liberal government in 1977 that stopped directing the payments for specific services and no longer tied it to medicare or education. The provinces were told they could spend it on building roads if they wanted to.

It seems that the Liberals have forgotten in the last 13 years, but it was they who changed the formula and undesignated the money under the Established Programs Financing. Since then, the actual use of the federal money by the provinces is up to the provinces. They can do with it what they want. It is unqualified

funding used by the provinces according to their particular priorities.

However, the fine print, which the opposition and the provinces conveniently overlook, will show also that the federal government provides additional support over and above the EPF, support of $11 billion through tax transfers. Therefore, federal EPF transfers to the provinces for 1990–91 total about $21 billion. That is 5.5 per cent higher than it was last year. Where is this crushing blow that the provinces are talking about?

Ontario, for example, will receive transfers under EPF and CAP of $9.3 billion in 1990–91. That rich province of Ontario that squawks all the time, that spends like a drunken sailor, is going to get $9.3 billion from the federal government. That is up from $9.1 billion last year. In the year 1991–92 it will increase to about $9.5 billion.

In addition to this, there is nearly $8 billion in equalization payments which go to the poorer provinces. This is primarily used by those provinces for health care and post-secondary education, but these payments are unaffected by the budget. In fact, they have nearly doubled since 1984. If we are attacking those most in need, how is it that federal spending on native and Inuit programs has nearly doubled since we came to office in 1984?

• (1220)

On page 76 of the budget, in the second paragraph, it indicates that in 1984–85 there was $1.4 billion spent on Indian Affairs and Northern Development. That has grown to $2.3 billion in 1989–90. How is it, I ask again, that the total of important federal payments for the services Canadians need is rising by 5.5 per cent? How is it that expenditures for health care, education and other social assistance for natives has not been constrained? I think we can easily see why the nation's richest provinces—notably Ontario—are the ones that do the complaining.

The Prime Minister and the Minister of Finance are asking them to spend responsibly for a change and to share in some of the difficult decision-making that is required to put the country on a sound fiscal footing. This is the basis for their complaint. In one major program, the Canada Assistance Plan, the federal government provides funding on a fifty-fifty cost-sharing basis to the provinces for social services—essential welfare and similar services. The rate of growth for the CAP assistance to the rich province of Ontario in the last few years has been increasing at an average of 14 per cent per year.

The government has controlled its program spending to 3.5 per cent for five years now. The federal government was leading all the provinces, whose profligate spending was at 9.6 per cent or higher in the last three and a half or four years. We are asking the provinces to control their spending, to reduce the pressures on inflation, to reduce the pressures on the tax dollars. We have held the growth of payments such as CAP for the province of Ontario, and also for the other rich provinces of British Columbia and Alberta, down to 5 per cent. So we are asking them to control their spending and keep it down to 5 per cent instead of the 14 per cent rate that Ontario had been spending at in the last few years.

That is why Queen's Park is squawking. They have not been able to manage their finances for the last three or four years without massive infusion of federal funds at a time when federal resources are becoming scarce. They thought that the federal treasury was an infinite source of cash; cash for life. Well, it is not, and we are asking them to tidy up their government spending habits.

This government, this Prime Minister and this Minister of Finance have acknowledged reality. It comes down to the fact that Ontario will only be affected by this lid on CAP if it chooses to increase its spending on social assistance at a rate of more than 5 per cent this year. If it does so, then we are saying they should pay the costs. If it does not, then they will have it within their own budget.

To further point out the absurdity of this complaint it must be stated that all other provinces, those not as fiscally strong as Ontario, B.C. and Alberta, will continue to have open-ended, unrestrained access to CAP funding to meet any growth in expenditures eligible for cost sharing under CAP.

Important funding continues to be transferred to the provinces. It continues to grow. The difference in this budget is that the provinces which are in the position to absorb a reduced rate will be asked to do so. There have been no cuts in payments made directly to people. In fact, these have increased, as I pointed out, by about 7 per cent.

I could use an hour to recite the many programs we have put in place to help Canadians to assist themselves, to recite the list of difficult decisions we have taken to address the debt crisis we face, tough decisions—not politically popular but tough decisions—that are taken for the betterment of Canada.

Many governments are frequently fond of speaking of the future. The fact is that the future is now; it has arrived. The bottom line is that there is a $41 billion drain on the Treasury to meet the public debt charges. The federal government alone cannot build a sound fiscal base for this country. It cannot do so if some provinces continue to chip away at this base with inflationary overspending, such as the province of Ontario has done. It should be obvious that this is a supragovernmental issue. It involves all governments, not just one. We are doing what is right for the country.

Some members of this family must stop acting like spoiled children and do their part. I would suggest that David Peterson and the province of Ontario stop acting like spoiled children. I do not think that by asking the rich provinces to give some thought to value before spending the money the federal government gives them is asking too much.

[*Translation*]

Mr. Gauthier: Mr. Speaker, further to the minister's last comments, I would like to talk about "spoiled children". I may remind the minister, and this concerns his departmental responsibilities, that yesterday he was asked in the House why the government had set up offices for the government's most important ministers in various regions across the country, at a cost of about $1.6 million, which is exactly the amount cut from women's programs, which, if I am not mistaken, supported 80 centres. These centres helped women in this country deal with problems in their daily lives.

Does the minister feel that women are among what he called the "spoiled children of this system," because they are complaining, and rightly so, about this government's complete indifference to their problems? How can he justify a decision he made as the minister of his department to spend $1.6 million on large ministerial offices in big office buildings in Halifax and elsewhere? How does he reconcile that with the fact that women are now saying: You don't have the right to cut $1.6 million from programs which are there to help women take care of themselves and achieve a better understanding of what they can do with their lives? How can you reconcile cuts in women's programs with this excessive spending to accommodate the government's most important ministers?

[*English*]

Mr. Dick: Mr. Speaker, that is a very interesting question. I tried to answer it in yesterday's Question Period, when I pointed out that about four years ago the government announced it would open up regional ministerial offices rather than have the exorbitant spending of the previous government whereby many ministers opened up very expensive departmental offices in their own constituencies or the nearest city to them. That is what the Liberals had done.

I also want to point out that these are offices which are available to all ministers to use whenever they are in that area. We have tried to consolidate and lower the costs in total. I think it was a very wise and sensible way of trying to go ahead and do that.

Mr. Gauthier: Why cut the women's programs?

Mr. Dick: Now, the member asks why we cut certain programs. Decisions are made. It was not in my ministry. There are other ministries to which he would perhaps like to put the question. Ministers put priorities on things. Certain programs, over a period of time, perhaps are not as high in priority as other programs. I point out to the hon. member who just spoke that it was this government which recognized the difficulty of battered women and battered wives and put up the $40 million. His government never did it in the 14 years it was in office. It was this government which did that for the first time when we announced $42 million. So remember that for a change. You did nothing most of the time except spend money ridiculously.

Mr. Gauthier: What bloody nonsense.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would hope that I would get a very clear answer to my question. I find it particularly alarming that there is a stubbornness on the part of government members who are unable to admit and accept that one of the reasons for spiralling costs in some provinces is that transfer

payments were cut in 1986 and they continue to be cut. This means that the provinces will have to pay more.

There is an inability to admit, or perhaps to understand, that the transfer is both cash and tax points. Tax points do not put a whole lot of bread on the table.

• (1230)

Mr. Dick: They don't?

Mr. Duhamel: No, there is not and I would challenge you to debate that publicly.

Mr. Dick: I would sure like to have a few of them.

Mr. Duhamel: There is an inability to accept that certain provinces are growing rapidly and some of the increased costs are wrapped up in that growth.

I am appalled that you would not be fair to another level of government, and I would suggest that if you feel as strongly as you do I could put in a call and organize a debate between Mr. Peterson and yourself or Mr. Nixon and yourself to see who is right.

The hon. member and some of his colleagues have mentioned the choices that they have had to make and there is a suggestion that they have been tough choices. Let us look at some of those choices: Defence: 5 per cent increase; CSIS: 20 per cent increase.

Mr. Dick: You call that an increase, you have to call cap an increase too. It's the same 5 per cent.

Mr. Duhamel: It is not. You misunderstand it completely. I am shocked that you would not understand it, and we can debate that if you want.

How is it that you chose to cut transfers to health and education and you gave increases to defence and CSIS, and I mentioned the percentages, 5 per cent and 20 per cent? Would you not be rather concerned that these cuts that you have undertaken in health and education will affect young people, the elderly, the sick, the veterans, women, our aboriginal people, regions?

Would you not agree with me, and this is not intended to be unparliamentary, I will be very gentle here, that it is a bit of a wimpish kind of decision to exercise those choices, because picking on children, the elderly, the sick, women, aboriginal people, veterans, people who are not well represented, people who come from small regions does not demand strong decisive action. Would you not agree that people who did that could easily be called wimps?

Mr. Dick: Mr. Speaker, I am very pleased to hear that the hon. member recognizes what the Liberal Party always has been and that is wimpish, because the Liberal Party has caused the difficulty for all of the disadvantaged in this country. The Liberals spent money so fast and so carelessly that in the long run, if we did not correct the situation over the last five and a half years and during the next three years, those are the people who will be disadvantaged in this country in the years to come.

Let me be more precise. It is the province of Ontario which has exceeded spending by 9.5 per cent, an amount which is increasing, and is the most inflationary of all the provincial governments. Ontario has 3.8 per cent, 4.2 per cent unemployment in the golden horseshoe and cannot even find people to do some of the jobs there because of the high rate of employment. It keeps on pumping more money into the system which also causes the Bank of Canada to increase the interest rate to try to cool the inflationary pressures which hurt Newfoundland, Prince Edward Island, northern Saskatchewan. The Liberals do not care about that. They only care about the cities. That is the way their governments were in the past as well.

The member stated that there was an increase of 5 per cent. We cut back defence spending—I think it is $280 million over the next two years, limited to a 5 per cent cap which will take care of inflation. That is the same 5 per cent cap that we are cutting back the Canada Assistance Plan. That will not be allowed to grow by more than 5 per cent. Same thing. It covers inflation for Ontario, B.C., and Alberta.

Mr. Duhamel: Health and education.

Mr. Dick: The member forgets that in 1977 when the Liberals were in power they traded away for a couple of tax points the tie-in of EDP programs to education. Those do not mean the same thing any more. They are not tied to that. The provinces, 13 years later, would like to tie it to that. But they were told then that they would be entitled to spend it on highways, if they wanted to. They could spend it on hospitals, or they could spend it on education, but they were not required to. So that tie is no longer there as a result of the Liberal change in 1977.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Lambton—Middlesex, and I believe it will be a 10-minute speech, plus five minutes for questions and comments.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am pleased that I am able to take part in this debate today. I am not doing it with a sense of satisfaction because when I look at this budget, and in spite of the fact it is stated there are no tax increases I am very embarrassed, as I am sure most Canadians are, about the shabby way that this budget treats our veterans.

There are 1,500 veterans in all who will be affected by this budget. It is going to cost them an additional $17.3 million. It will cost them an extra $240 a month in 1990 and $420 a month in 1991, with another $18 million cut over the next two years for heavy spring cleaning and housekeeping for veterans. This affects 60,000 veterans under the Veterans Independence Program.

I must remind this government that veterans paid their price when they walked into battle for all Canadians.

In 1985, the Conservative government doubled the board and lodging rate to $240 a month, and yet this is the first time the rate has been changed since the program was established in 1949. It is certainly not acceptable in my mind and in the minds of my constituents to cut the financial assistance for all these institutionalized veterans' room and board, home nursing and housekeeping by $35 million. Our veterans made their contribution and the government should not be betraying their sacrifice in such a callous way.

This 1990 budget also leads to cutbacks for our post-secondary school education and health services as funding for these universal programs will be decreased by $22.1 billion by 1995. This budget could well be the start of the systematic erosion of our Canadian health care system by this federal government. Our universities will be forced to admit students on the merits of their bank accounts rather than on their marks.

The federal government is quickly putting post-secondary school education beyond the grasp of many Canadians. The Canadian Federation of Students estimates that this cut will increase tuition by approximately $2,000 a year for the individual.

Cutting $423 million in the post-secondary school budget for 1990-91 will be the equivalent of shutting down the University of Western Ontario, Fanshawe College and Lambton College for almost two years. It must also be remembered that this cut comes on the heels of an announcement last week that the Student Summer Employment Program would be reduced by $296 million over the next five years.

In terms of credibility, in the 1986 budget the Minister of Finance predicted a deficit of $12 billion for the fiscal year 1990-91 in a favourable economy. Despite the excellent economic growth of the last seven years, the minister is now projecting a deficit of $28.5 billion. This is more than twice his estimate of four years ago. Now this minister expects Canadians to believe that despite the highest interest rates in seven years; projections of 1.3 million more workers being unemployed, and overall lower economic growth the deficit will be down to $21 billion in 1992-93 and $14 billion in 1993-94. So much for his predictions. Clearly this government is abusing the faith of the taxpayers who have contributed immensely through huge tax increases and decreased government services.

If the only way the minister can manage to reduce the deficit to less that $30 billion is to increase the provinces' costs by $2.5 billion over the next two years, he has clearly mismanaged the government's finances. Either he has shifted the burden onto the backs of the veterans and the students, or onto the backs of the provinces and transferred this responsibility to the provinces.

We have also spoken in this House on a good many occasions of what is happening across rural Canada. I have to speak out on this today during the budget debate. I look at what happened as a result of the budget one year ago, the list of cuts that took place and the programs that were discontinued. There is nothing in this budget to enhance the livelihood of the people living in rural Canada. With the hardships that have unfolded over the last month and a half to two months, it is unbelievable that this government could be so callous.

• (1240)

For example, in the budget of 1989, $60 million was added to farm costs, $300 million was cut from several long-standing farm programs, and the federal budget last year cost the prairie farmers alone $1,000 each. The

budget list of cuts last year was: $200 million from crop insurance, $60 million from the at and east legislation under the Department of Transport, rail branchline rehabilitation program $48 million, grain and crop advance payments $54 million, dairy exports $12 million, commodity based loans $15 million, and the Canadian Dairy Commission $10 million.

Those are actual cuts in programs that have served the farmers of this country very well over the years. To cut them at a time like this when farmers are facing tremendous economic downturns in the prices they receive is not acceptable. When I look at what has happened to compound this problem across the rest of Canada, I have to wonder just where this government is taking us.

I look at what has happened in pork production across Canada, exports to the United States have dropped dramatically in the first three weeks of January alone this year. Last year there were 12.5 per cent less producers in the province of Ontario than the year before. In Middlesex county there were 13.9 per cent less and in Lambton county 12.45 per cent less producers in one year.

This industry is being very hard-hit by the government, its programs, and particularly by the free trade agreement with the United States and the lack of an agreement with the United States that the U.S. trade remedy laws would not apply to Canada and to our exports. In the words of the Clayton Yeutter, "those laws remain intact and secure". On top of that, the Americans passed the omnibus Trade Bill in the fall of 1988 that makes a mockery of the whole free trade agreement.

Across Canada there is a forecast drop in farm income of 39 per cent for the year 1990, Manitoba will drop 87 per cent, Alberta will drop by 66 per cent, Ontario will drop by 8 per cent, but Saskatchewan's realized net income will drop by 101 per cent.

I am sure we all heard the Premier of Saskatchewan on television last night, begging for help from the federal government, help that is not forthcoming, unless the government gives him another billion dollars to help him through the next provincial election. This is what happened a few years ago. Let us see if it happens again. If it does, we are going to be demanding that this help be available to all Canadian farmers.

I want to go a little further and make a comparison about what is happening here in Canada, where we are asked to compete for world markets. I want to put it on record that under the United States program of acreage set-asides and the target prices and deficiency payments, United States producers have a distinct advantage over our Canadian producers. All we ask is for a similar payment now that is comparable to that of the United States. Let us have it for the Canadian farmers to keep agriculture as a viable industry, to keep these people on their farms so they can produce a crop this year.

If the U.S. deficiency payment is 60 cents a bushel, and that is what is forecast for this year for corn, about half is available at the time of sign-up for the program which is this month of March. That money is in their pockets so they can buy the input items needed for crops, whether fertilizer, chemicals, pesticides, herbicides or seed.

If the average yield is 120 bushels per acre, the United States producer would receive that $36 an acre this month. Converted into Canadian funds, that averages over $40 an acre the farmer will receive this month to help him through this tough period. We do not have that in Canada, because this government has failed to realize the need that we have to compete in world markets. If we are going to compete in those world markets, we have to have equal programs.

I also wish to point out the costs of these inputs are 25 per cent greater in Canada than they are in the United States. Canadian farmers do not have the support from the government. Under the current crop prices, they cannot even cash flow their input costs or their anticipated returns after harvest. It is simply not there. Consequently, the lending institutions in Canada are refusing operating loans to our Canadian farmers for this year in numbers that are unprecedented in Canadian history. It is worse now than it was in the 1930s. Last night we heard on television that one third of the farmers in Saskatchewan are in deep financial trouble and another third are in serious trouble.

We in the Official Opposition have spoken of these issues time and time again in this Chamber. We spoke of the cut-backs in the agriculture expenditures in the leaked budget of last year and the impact on the rural economy, but to no avail. I suppose with the pending election in Saskatchewan this year, this government will

again come to the rescue and provide a bail-out so our fellow Tories can continue their mismanagement of the economy in that province.

Times are tough in other sectors of the Canadian agricultural economy and farmers in all provinces need help. Farmers in Alberta, in Manitoba and in Ontario need help at this critical time of year when they are gearing up for planting. I ask this government to now make food security in Canada a matter of national security. I ask the government to act now to save this once vibrant agricultural community so that Canadian consumers will have an abundant quantity of good, wholesome, high-quality Canadian food available to them.

I ask this government to dissociate itself from the current manipulative free market system of our neighbours to the south, where the commodity exchange is being sued by American farmers for manipulation of prices, where their export enhancement program puts downward pressure on world prices. In fact, their acreage set-aside program and target prices actually impact very heavily on our world prices.

I ask this government to give notice of withdrawal from the free trade agreement and recognize that nature alone dictates that there is no level playing field.

I ask the Minister of Finance to withdraw this budget, prepare a new one, one that recognizes the importance of our resource industries that have been decimated by the policies of this government, a budget that will ensure the availability of those resources for future generations of Canadians.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I listened with a great deal of interest to the hon. member for Lambton—Middlesex, particularly when he spoke about the credibility of the projections of the Minister of Finance and pointed out that three years ago the Minister of Finance projected that the deficit would be something like $14 billion and now it is $28 billion. It is very easy for the minister to give glowing assessments of what he is going to do four and five years in advance but they never seem to materialize.

The hon. member is an experienced member and I am rather new in this House. I would like him to comment on the fact that, if my memory serves me, the Minister of Finance based his projections for the budget deficit on an interest rate of 10.5 per cent. Unless I have missed something in the last two or three weeks, I think that the actual bank rate is in excess of 13 per cent.

When one looks at the implications for the economy of a 3 per cent interest rate miscalculation by the Minister of Finance, the difference between 10 per cent and 13 per cent is a 30 per cent miscalculation. What impact does the hon. member feel that that has had on the deficit? What impact does he feel it has had on the farm community, particularly on farm debt, farm operating costs and farm borrowing? In fact, are many of the problems that farmers now have not due to the miscalculations of the Minister of Finance?

Mr. Ferguson: I want to thank the hon. member for the question, Mr. Speaker. He is absolutely right. The terrible mistake by the Minister of Finance and his miscalculations are such that we should demand the resignation not only of the Minister of Finance but his advisers, because this is at the root of the problem with the rural economy. We have interest rates that are 5 per cent higher than those in the United States. Our input costs on production costs alone are so much higher than those of the United States. When the interest rates are added on, it puts us in a position where we simply cannot compete as effectively for the world markets.

I strongly suspect the government is trying to keep the interest rates up to appease the corporate structures that want a higher dollar, and whether or not that is part of the free trade agreement we will probably never know. However, if the dollar is allowed to float down to perhaps the mid-seventies, then our exports will be far more competitive on world markets and—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

• (1250)

Hon. William Rompkey (Labrador): Mr. Speaker, I am very pleased to take part in this budget debate today. This budget is just the latest wedge that widens even further the gap between the two Canadas. There are two Canadas growing in this country and they have been growing since this government took office. I am not talking about linguistic groups. I am talking about the

wealthy Canadians and the poor Canadians, the rich and the poor Canadians, those who have and those who do not have. This budget is the latest massive wedge that widens that gap.

Let me take my own area, for example. I am not going to talk about the government's lack of action on the most critical issue and that is the fishery. I am not going to talk about the fact that there was no mention at all of the fishery, not even the word fishery was mentioned in the budget, nor were there any funds for dealing with that most serious crisis. I am not going to talk about that resource. I am not going to talk about the offshore oil. I am not going to talk about the fact that there is no ongoing development at Hibernia which would create jobs in the area which has the highest unemployment rate in Canada. I am not going to talk about the Lower Churchill. I am not going to talk about the fact that although the Prime Minister promised five times on the floor of this House in the last Parliament to develop that particular resource, it is not going. It is not producing hydro power, it is not producing economic and industrial development and jobs. I am not going to talk about that resource, or the fishery, oil, or hydro power. I am going to talk about the most important resource that we have, and that is our young people.

What this budget did was to widen the gap between our young people and their access and opportunity and young people elsewhere in the country. I am going to talk about Established Programs Financing. The government will say there were no cuts, there is an annual increase in Established Programs Financing. The reality is that the gap is growing between what the government promised and indeed what the government contracted with the provinces for transfer payments for education and health. That contract between the two powers was abrogated unilaterally by the Government of Canada and the Minister of Finance because he said: "You will not get the money you had expected, you had anticipated, we had promised, we had contracted with you."

In my own province that is $162 million over five years that goes to pay for education and health. Thirty per cent of that amount goes into post-secondary education. That means the Minister of Finance in Newfoundland is going to have to find $50 million over the next five years that he had expected the Government of Canada to pay. He fully expected, as a result of the five year agreement, an agreement entered into by two levels of government, that he would get that money. He is going to have to find that money somewhere, because that province and that government has committed to post-secondary education as a priority, as an absolute necessity, if we are ever going to break out of this mold that we are in.

Not only did the Minister of Finance take away—or however you want to define it or describe it—$50 million from the students of Newfoundland, but in addition the Government of Canada has cut by 35 per cent the summer employment program that gives summer employment to hundreds of students in my province and in my riding that helps to finance their post-secondary education.

Third, the government has put what it calls an administrative fee, but is really a 3 per cent tax on Canada student loans which 50 per cent of all students use to help pay for their food, lodging and tuition fees.

Therefore, there is the cut in the Established Programs Financing, the cut in the summer employment program, and a 3 per cent tax on Canada student loans.

I also want to tell you, Mr. Speaker, how the government will treat students under the goods and services tax. Students with earned income of less than $6,900 will not be eligible for the goods and services tax credit. They are going to be taxed along with everyone else. They will not be exempt. This will be an additional financial burden. Sales from university bookstores will be fully taxable by the goods and services tax. Student transportation by bus, train, taxi, ship and plane will be fully taxed by the goods and services tax. Renters will not get a rebate from the goods and services tax, although purchasers of new homes, people who have their education, people who are married or young couples who want to buy homes will be able to get a rebate. Students who rent apartments or live in boarding houses will not get a rebate under the goods and services tax. Meals and take-out food will be fully taxed by the goods and services tax.

The first part of that wedge is the wedge that the minister has driven between young people in my area and in the rest of Canada. An education, I want to point

out, is not a cost but an investment. Let me go on to other aspects of this.

The women's program has been cut. There will be women's groups who will not be able to survive. We have already seen a number of women's organizations that have shut down in Canada because of the cut to the funds of the Secretary of State.

Let me point out the double difficulty that women find themselves in. Seventy per cent of all part-time students in this country are women. If we relate that to the point that I was making about the cuts in post-secondary education, we will see that women now are not doubly disadvantaged but triply disadvantaged by the effects of this budget.

One of the most fundamental ways in which women achieve equality is through education. There is a direct correlation between the amount of education you have and the amount of money you make in this country. If women are ever going to be able to become equal and independent, they have to have access to education. What this budget does is to say: "Shut down your offices. Shut down your affirmative action, but also you are denied further access to post-secondary education." I think that that is the real sin of this particular budget.

Let me get onto a third group that is less powerful and less rich in this country, and that is the native people. I heard the questions yesterday in the House of Commons and I heard the minister talk about increases to DIAND. Sure, there are increases to DIAND for land claims. However, the question that was not answered by the Secretary of State is why he sat at the table and allowed his native programs to be cut. Twenty-three million dollars was cut out of the program of the Secretary of State, $19 million of which was for native people.

There was a newspaper in Main, Labrador in English and Inuktitut that goes all along the northern coast and provides a voice, a meeting place and an educational tool, an expression for native people in northern Labrador. It has been completely wiped out, completely shut down, and the staff have been laid off. Your voice is muted. Your voice is cut off. Your voice is expendable because it is less powerful. The radio station in Main, Labrador in both languages of English and Inuktitut, again provided a voice for the voiceless, some political power, some expression.

What people in the south do not understand is that we are inundated with Vanna White, with American sitcoms. It is bad enough for people who live in the south, the amount of choice they have, given the CBC, but when you live in the north it is doubly difficult to survive as a culture and as a people with the sea of programming that comes from the south. Those native newspapers and radio stations gave people in the north a way to talk back.

There were a lot of other things that happened, not just in this budget but outside this budget. Let me just tell you about one more thing, Mr. Speaker. The Post Office has said to people in the north: "You can no longer ship food through the mail." My colleague, the member for eastern Arctic raised that matter a while ago. You can ship Ski-doo parts through the mail. If your Ski-doo breaks down you can ship a fan belt or a part of your engine through the mail. You can ship any of that through the mail. But you cannot ship milk. If your baby is sick, you cannot ship milk through the mail. That is what this government has done to people in the north.

It is a vicious circle for us. We are being punished because of the hot economy of Ontario, yet more and more of our people are moving to Ontario every day. We do not want that. We want to have a way to survive in our own area as contributing Canadians and not receiving Canadians.

This budget does not help people who are weak and powerless in Canada. This budget drives a larger wedge into the ever-widening gap between the two Canadas, the rich Canada and the poor Canada, the powerful Canada and the powerless Canada, the have Canada and the have-not Canada. This government has got to be called to account for that.

The Acting Speaker (Mr. Paproski): The hon. member will have five minutes for questions and comments after three o'clock today, if he wishes.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VETERANS AFFAIRS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Minister of Veterans Affairs says that there have not been any cuts to the Veterans Independence Program, yet the department itself is saying that it will save $9 million a year by cutting out heavy house cleaning for veterans.

There were only 19,000 veterans in 1989 who applied for any kind of housekeeping assistance from Veterans Affairs. Either there are a lot of wealthy cleaners in the country or the veterans are not being told the truth. I think that there is a good deal more that is being cut than just the heavy house cleaning which the government says is being cut.

The freedom and dignity of veterans to be able to remain in their own homes as long as possible is a right and not a privilege depending on the size of the deficit in this country.

Veterans have fought for their country. They have paid enough. This is the time to honour veterans, not to short change them as this ungrateful government is doing.

* * *

[*Translation*]

OPEN HOUSE CANADA PROGRAM

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the purpose of Open House Canada was to fund reciprocal group exchange projects for young people across the country and thus increase the awareness of young Canadians in the Abitibi area of their national identity and their desire for unity.

One of this program's priorities was to organize exchanges with rural or isolated communities in Canada, and there was also a special focus on the disabled and the economically disadvantaged.

The Minister of Finance (Mr. Wilson) has dropped this program for direct exchanges between schools effective April 1, 1990, and Le Tremplin secondary school in Malartic is one of the victims.

Mr. Speaker, Canada's isolated areas deserve to see this program maintained. It is a sad commentary that this country's isolated areas have once again been hit by cutbacks.

* * *

[*English*]

TELEMIRACLE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, this past weekend the people of Saskatchewan rallied to support the fourteenth annual Kinsmen Foundation Telemiracle. The telethon raises money to help those in Saskatchewan with physical, mental and emotional disabilities.

This year's effort successfully raised $1.8 million, which is down just slightly from last year. However, given the slow prairie economy it is obvious that we cannot judge the size of the peoples' hearts by the size of their wallets. Under the present economic conditions the level of support for Telemiracle is a tribute to all Saskatchewan people.

I am told that the Kinsmen Telemiracle continues to lead the world in contributions for charity on a per capita basis.

It is apparent that Saskatchewan remains a place where people really do care about their neighbours and their communities. I know that the money raised will be put to good use and that next year's Telemiracle will be bigger than ever.

Congratulations, Kinsmen.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, Associate Chief Justice Jerome of the Federal Court, Trial Division, ruled yesterday that the initial humanitarian and compassionate hearing for persons in Canada's 100,000 refugee backlog is illegal and wrongful because the minister's restrictive guidelines contradict Section 114(2) of the Immigration Act.

This means that claimants ought to be admitted on any kind of humanitarian and compassionate grounds.

In view of the huge and growing $200 million mess caused by the government's unconscionable delays and mismanagement of the refugee claims, I call on the Minister of Employment and Immigration immediately

to direct immigration staff to use the broad guidelines for long-term *de facto* residents in Canada as the only basis for all humanitarian and compassionate review of backlog cases.

* * *

THE ENVIRONMENT

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, after 17 days of stubborn resistance the Hagersville tire fire is finally out.

Day after day I watched heavy equipment operators and volunteer fire-fighters work long hours in smoke, heat and mud. They left their jobs and their farms to fight the fire. Evacuees were taken in by friends and family.

The people of Haldimand—Norfolk have really shown us the meaning of community.

We have learned a lot about environmental disasters in the past three weeks. There is still a lot to be learned with the clean up and determining what environmental damage still may exist.

What is abundantly clear is the competent way in which the volunteer fire-fighters did their jobs and conquered the blaze. On behalf of the residents of Haldimand—Norfolk and members of the House I extend our gratitude and thanks for a job well done.

In recognition of the dedicated teamwork that is characteristic of volunteer fire-fighters across Canada, I would ask members of the House to support my motion to increase the present $500 tax exemption on honorariums these fire-fighters receive when it comes before the House. It is the least Canada can do to recognize the great contribution these volunteers make to our country.

* * *

AGRICULTURE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, one of Canada's efforts to go global has met with success in Japan recently with the sale of 250 tonnes of beef to that country. There is also the potential for further sales in this major growth market outside North America.

The Canadian Beef Export Federation has opened an office in Tokyo. This is seen as a positive step by Japanese companies, one which will facilitate information dispersal and promote new ideas.

Agricultural producers must continue to look to the Pacific Rim countries as potential future markets and initiate the promotion of our many agricultural resources.

* * *

THE BUDGET

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, where is this government's sense of justice and reality in the priorities it chose for spending cuts?

Democracy is threatened by the slashing of $23 million in Secretary of State funding for native people, ethnic minorities and women's programs. These cuts will eliminate community services, publications and advocacy groups that are essential for powerless groups struggling to achieve equality.

At the same time as $23 million is being cut from these citizen organizations over $23 million will be spent to cover program expenditures of the decadent, unelected, patronage ridden Senate of Canada.

Women's programs which operate on a shoe string were cut by $1.6 million, while $1.6 million will be spent just to renovate committee rooms of the Senate. Women's centres that provide sanctuary, support and services for abused women, visible minority and immigrant women, poor women and those who are working long hours for equality will be forced to close, while $1.6 million desperately needed by these women will be spent to replace red carpets and gold trimming for an outdated, redundant Senate.

I call on this uncaring government to celebrate International Women's Week by changing its priorities and reinstating funding for women's programs and women's centres across Canada.

Let's abolish the Senate in favour of citizen democracy.

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CANADIAN COAST GUARD

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, last week the Canadian Coast Guard held a

public meeting with residents of Grand Manan Island to discuss plans to destaff the lighthouse on Gannet Rock.

This light located in the middle of the Bay of Fundy is an important navigational device for the hundreds of ships travelling to and from the Port of Saint John. The Irving Oil Company alone ships over 50 million barrels of crude oil through the shipping channels for processing at the refinery.

Fishing and tourism are the pillars of the economy for the residents of Grand Manan. An accident in the Bay of Fundy could cause an environmental disaster in the region and effectively wipe out a way of life that dates back over 100 years.

I urge the Minister of Transport to listen to the concerns raised by the people of Grand Manan and ensure the points they have brought forward will be taken into consideration prior to any final decision on the future of the lighthouse on Gannet Rock.

* * *

RESEARCH AND DEVELOPMENT

Mr. John Manley (Ottawa South): Mr. Speaker, Canada's crisis in research, science and technology has been further aggravated by the government's decision to cut science and technology spending by $39 million and to reduce transfers to the provinces for education.

The national consortium of scientific and educational societies representing over 500,000 researchers and students is on Parliament Hill this week to tell us that the Prime Minister's rhetoric about doubling our R and D effort is simply not enough.

If Canada is to meet the challenges of a changing world, we must act now.

I urge all members to meet with the consortium and hear its recommendations.

(1) that there be no further reduction in transfers for post-secondary education;

(2) that the matching grants policy be incorporated into the base budgets of the granting councils and that these budgets be doubled;

(3) that R and D performance by the federal government be increased, not diminished; and

(4) that financial barriers to higher education in Canada be eliminated.

[*Translation*]

Unless the government acts immediately, Canada will be left behind on the international scene.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. David Bjornson (Selkirk): Mr. Speaker, last night the finance critic of the Official Opposition, with one wave of his verbal wand, branded several members of the Tory back benches as being among those who opposed the GST.

Today, Mr. Speaker, I stand before you to say that I, the member for Selkirk, support the goods and services tax and, more important, the policies of the government and my colleague, the hon. Minister of Finance.

I say this as a member of the unduly generalized Tory back benches.

• (1410)

The goods and services tax has several advantages which the manufacturers' sales tax does not possess. One of the greatest strengths, of course, is the fact that it will benefit this country and not its foreign competitors. For this reason and many more I support the GST.

I believe the time has come for the Liberal Party to start presenting its own alternatives to the manufacturers' sales tax and stop grandstanding on an empty platform.

* * *

GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, this Tory government has stifled debate in the House of Commons on the goods and services tax. It has ignored hundreds of thousands of people who have signed petitions against the GST. It has paid no attention to the thousands of Canadians who have protested the proposed tax through letters and rallies even in the riding of the hon. member who just spoke. The Conservative government does not care what Canadians think about the GST. It just spends money to advertise a tax that has not yet gone through Parliament.

The Liberal Party of Canada will continue its battle against this regressive tax. Unlike the Tories, we care about what Canadians think. We want to know how many Canadians oppose the GST.

The Liberal Party is sponsoring a national week of protest against the GST from March 12 to March 16. During this week Canadians from across the country can call 1-900-720-6052 to register their opposition to the tax.

Mr. Crawford: What was the number, Joe?

Mr. Fontana: If Canadians dial 1-900-720-6052 between March 12 and March 16, they will be sending the Prime Minister a clear message that this tax is unacceptable. Together we must make this government listen to the voice of Canadians.

Call 1-900-720-6052.

* * *

TAXATION

Mr. René Soetens (Ontario): Mr. Speaker, the people of Canada were able to view clear and distinct choices of the fiscal and taxation plan for Canada as enunciated by the three parties during and after last night's televised debate.

The Conservative plan was well presented and thought out, showing that through a combination of spending restraint, personal income tax reform, corporate tax reform and sales tax reform, combined with increased economic activity in both our domestic markets and offshore markets, Canada would resolve its economic difficulties.

The Liberal plan calls for another study of taxation in Canada. All the previous studies done by the Liberal Party while it was in office would again be ignored and we would embark on a very expensive, probably useless new study.

We would include in this a review of not only taxes under federal jurisdiction but also those under provincial and municipal jurisdiction. As is Liberal policy, the result would be a massive intrusion into the affairs of others by an even bigger central government.

Then there is the NDP. It wants to continue its policy of increasing personal income taxes. Its aim is to kill the goose so that Canada can become a Third World country.

I am happy to say that I support the first plan. Carry on, Mr. Wilson.

* * *

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it seems to me that when Canadians start calling the Liberal line on the GST they should be asking what position of the Liberal Party is that particular person supporting.

This morning in the House the Leader of the Opposition would not say whether or not he would scrap the tax if his party won the next election in Canada.

Mr. Speaker, you could choose a Liberal for almost any position. If you want to scrap the tax, there is the leadership candidate from Hamilton saying yes she would scrap the tax. We also have the finance critic for that party saying they would scrap the tax.

On the other hand, Jean Chrétien, the guy who might win the leadership of that party, is saying: "I don't know what I would do if I became prime minister. I may indeed keep that tax".

We also have a Liberal Party document of a few years ago which states that they believe in a value added tax.

Then we have that great leadership candidate from York Weston who is endorsing a flat tax, as is his colleague for Broadview—Greenwood who stole the idea from Peter Pocklington of the Tories in Alberta.

Canadians are asking: Where does the Liberal party stand? Which one are we to believe? What will they do?

* * *

BALTIC STATES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, freedom and democracy are triumphing throughout the world. Across eastern Europe and most recently in Nicaragua people have voted against communist rule and in favour of democratic freedom.

Nowhere is the spark for freedom burning brighter than in the Baltic States. I was honoured to visit Lithuania as a guest of the Canadian Lithuanian Community and the Lithuanian freedom movement, *Sajudis*,

to observe their historic elections. The results of those elections sent a clear and unequivocal message of change.

I join with all Canadians in congratulating the people of Lithuania for the elections and for their 50 years of struggle for freedom. The struggle may not yet be over, but the light of freedom is in sight.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. The Deputy Prime Minister will know that this year Environment Canada says there is a strong possibility of drought in the prairie provinces.

1988 was so dry that proper moisture levels have not returned to the soil. A dry fall in 1989 and a lack of snowfall this winter may mean that the soil will still be unable to recharge its moisture content.

Yet, despite this imminent possibility, the government has cut funding for the Canadian Crop Drought Assistance Program from $788 million down to only $21.3 million, a drop of more than 90 per cent.

Why has this fund been cut more than 90 per cent when there is a real possibility that 1990 will be another year of serious drought for our western farmers?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I genuinely appreciate—and I am sure all Canadians will appreciate it—the hon. member's interest in this very important issue. I hope, when the appropriate time comes to act on behalf of the agricultural industry and the prairie regions, that I will have the full support of the hon. member.

As he knows, we have responded in a very major fashion to the difficulties in the agricultural sector all across the country, but more particularly as it relates to western Canada. There has been a record pay-out in drought assistance of some $850 million. Improvements were made to the crop insurance program. There were enhancements for multi-year drought situations.

We are now in the process of mailing cheques out to the three prairie provinces on the basis of the multi-year disaster benefit program. Alberta and Manitoba have received. The figures for Saskatchewan are not in. As soon as they are in there could be payments going out on supplementary drought up to $80 million.

I should advise the hon. member as well that we are looking at what further assistance might be required.

Also, we are looking at what assistance might be required in terms of providing money, cash flow, to ensure that the crop can be put in as well as the long-term interim support programs.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the issue is not whether he and the government will have the support of the Official Opposition on this matter, but whether he will have the support of the Minister of Finance. That is the big question.

I have another question for the Deputy Prime Minister.

Last night the premier of Saskatchewan spoke on television and indicated that he had spoken with the Deputy Prime Minister and that the Deputy Prime Minister had agreed, and I quote, "to work out the farm financial crisis".

The Deputy Prime Minister knows that the farm financial crisis affects farmers in many provinces, not just Saskatchewan.

Can the Deputy Prime Minister assure this House and the farmers of Canada today that any financial assistance program for farmers will be available in all the provinces and not simply be confined to one province?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I have indicated to the House before, we have put together a federal-provincial review committee to assess the impact of the shortfall and to assess the application of the existing programs, that is the multi-year disaster benefit program which was an enhancement to the crop insurance program incorporated last year.

We also have improvements to the crop insurance program currently before the House which will provide

more long-term enhancement for crop disasters arising from drought and other weather conditions.

I can assure the hon. member that as soon as the reports come in from the federal-provincial monitoring committee which affects the industry right across the country we will assess it, look at options and come up with an appropriate program that will be cost shared as has been indicated by the respective Ministers of Agriculture of the provinces.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I hope western farmers and other farmers across Canada will not have to wait as long for any special program as the fishermen of Atlantic Canada have been waiting. They have hurt a lot and they have got nothing so far.

[*Translation*]

Mr. Speaker, the Premier of Saskatchewan also said that, together with the Deputy Prime Minister, he would be meeting representatives of our major financial institutions, to determine ways of helping farmers who are having trouble restructuring their debts.

My question for the Deputy Prime Minister is this: Can he guarantee that the government will make the banks and various loan institutions help our farmers restructure their debts? Can he also guarantee before this House that he will take action before all family farms in this country have disappeared? Could he answer this question right away?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is quite true that I have met with the premier of Saskatchewan. It is recognized that the problem in Saskatchewan is very critical because of the drought and because of its particular type of agriculture, which is basically grain and oilseeds.

The problem is threefold. First, there is the issue of the current shortage of cash to get the crop in. Second, there is the long-term debt situation. Third, it relates to the long-term income support program which is part and parcel of the agricultural review.

As the hon. member should know, the grain stabilization programs and the safety nets that have been in place have been put through the supreme test. We are in the process of re-evaluating and re-examining in an attempt to come up with better safety nets. That process is ongoing.

Whatever we do in the course of providing long-term income support, we hope that it can lead to a longer term support system.

In so far as his reference to the banks is concerned, yes, we do meet on a regular basis. Inasmuch as we have met on previous occasions with the banks and other lending institutions, we will be undertaking the same thing to ensure that there is that kind of compassion to which the hon. member refers.

I should also point out that the farm debt review board was an initiative of this government and that process has gone a long way to alleviating some of the difficulties and the hardships as they relate to farmers who are found to be in serious difficulty in defraying their payments and dealing with their long-term debt program. We intend to continue to work in that regard as well.

* * *

IMMIGRATION

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the two ministers responsible for immigration, I direct my question to the Deputy Prime Minister.

Yesterday, in a landmark ruling, the Federal Court ruled that the government's system to process the over 125,000 refugee claimants in the refugee backlog is illegal. This ruling serves to confirm the concerns that we on this side of the House have been expressing and raising with the government for months on end.

In light of this fatal blow from the Federal Court, will the government do the right and appropriate thing and abandon its current refugee backlog clearance system and replace it immediately with a fair, more efficient, more humane administrative review, something that the Official Opposition had asked this government for over one year ago?

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, the Minister of Employment and Immigration has not yet had an opportunity to study the reasons for the court's decision, as the court has yet to release those reasons. It would therefore be prema-

ture to comment upon the possible impact of the decision.

However, the Minister of Employment and Immigration and her officials have had an opportunity to review Justice Jerome's oral reasons, and appropriate decisions will be made quickly as to how the government will react.

Some hon. members: Hear, hear!

Mr. Sergio Marchi (York West): Mr. Speaker, I wish to also congratulate the minister who has been elevated to cabinet with new responsibilities. Not to undermine his appointment, the refugee claimants, the system and Canadians deserve a better answer.

I would like to put my question again to the Deputy Prime Minister. The government cannot run or hide from the reality that the backlog system has been universally condemned, whether by the NGOs, the parliamentary committee or the legal entities of our country.

Given that only 6 per cent of all claimants have been processed, that it will take six years to clear the backlog at the present rate at a $200 million expense and at an increased human expense in terms of human misery, why is the government stubbornly refusing in the face of this mounting opposition simply to repeal and fix not only a broken system, but a system that has now been rendered illegal by our courts?

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I would like to remind the hon. member that each person in the backlog has made a claim to be a convention refugee and therefore is entitled to a decision on the merits of that claim. The primary question, therefore, continues to be one of refugee determination.

This government is aware of the concerns of backlog claimants and of the interest of Canadians in seeing this issue resolved. We will respond to Justice Jerome's decision as quickly as possible but cannot at this time engage in speculation which can only add to the uncertainty experienced by backlog claimants.

THE BUDGET

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance.

In the recent budget the Minister of Finance and this government cut $3 billion from programs which aid battered women, the regions, support post-secondary education and provide minimal assistance to the poor, as well as other programs that address those areas in our society.

At the same time tax breaks for large corporations were allowed, and I cite some examples. Brascan earned some $262 million last year and paid not one cent. Edper Enterprises made $52 million and paid not one cent. Fletcher Challenge made $24 million and paid not one cent.

Is it not now time to introduce a minimum corporate tax so that everyone pays their fair share?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as a result of a number of decisions that this government has taken both in corporate income tax reform in 1987–88, as well as a number of other times during the course of the past five years, we have removed many, many tax loopholes that large corporations have been using. There are reasons individual corporations that are profitable are not paying taxes.

If she wants to identify a specific tax provision that she wants to see removed that allows for these corporations not to pay tax, one of them being the fact that they have losses in previous years and carry forward those losses to apply against current year profits and apply their taxes on that, then let us listen to and hear what she has to say.

I hear again that she is calling for a corporate minimum tax of 20 per cent. Small businesses pay a corporate tax of 12 per cent. How is she going to deal with the thousands and thousands of small businesses which are only paying 12 per cent tax?

[*Translation*]

Ms. Audrey McLaughlin (Yukon): My supplementary is directed to the Minister of Finance. In his budget, the Minister cut transfer payments for health and postsecondary education by about one billion dollars this year and 1.5 billion for next year.

Meanwhile, deductions for business meals and entertainment have been maintained. These deductions represent a total of nearly one billion dollars annually.

Will the Minister of Finance finally decide to abolish these deductions which are unacceptable and make the government lose such vast amounts of money?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, these deductions are important to businesses competing with the United States that have that precise same tax deduction. We need a tax system in Canada that is competitive with the United States. This is very important to the creation of jobs in Canada.

If we are to have a corporate tax system that is not competitive with the United States, that has higher tax rates than the United States, then a very simple result will happen.

• (1430)

Companies are going to settle in the United States. They will create new investment in the United States and with that jobs will be created in the United States and not in Canada.

If the New Democratic Party policy is to move jobs from Canada to the United States, then that is exactly what will happen with the policies that she is proposing.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the biggest policy which has moved jobs from Canada to the United States is the trade deal and the minister knows that. I also remind the minister that the United States has a minimum corporate tax.

In 1987, when the Minister of Finance introduced the budget he said and I quote:

> Our fundamental strategy in reviewing the corporate income tax is to ensure that profitable corporations pay their fair share. We must further reduce the source of the problem by cutting back special corporate tax write-offs.

In spite of that promise, corporate profits that escape tax have grown from $15 billion to $27 billion since he took that job. How does the minister justify these tax cuts to large corporations when he is asking every Canadian to pay an extra 7 per cent through the goods and services tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member has raised four specific points in that question and I want to address each one of them.

First, in the last couple of years we have had very high levels of investment in this country directly related to companies getting ready for the free trade agreement, and that has created jobs here in Canada. It has created a more competitive Canadian economy precisely as a result of the free trade agreement.

The second point that my hon. colleague makes is that there is a corporate minimum tax in the United States. She is correct. There is also a much higher tax rate on small businesses in the United States. Is she proposing that we increase the tax rate on small business so we can have a corporate minimum tax here? I do not think so but that is the result of the question that she has asked.

The third point I make is that corporations today are paying more tax, including corporations that were not paying any tax before. Her colleagues have asked in the past how a bank teller could pay more tax than the bank itself. As a result of corporate income tax reform in 1988, banks today are now paying hundreds of millions of dollars of corporate tax, directly as a result of corporate tax reform.

The final point that I would make with my colleague in response to her question is that corporate profits are down this year. That is one reason why corporate taxes are down. If she looks at the effective corporate tax rate this year compared with 1987 she will see that the effective corporate tax rate is up this year compared to three years ago.

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AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture, the Deputy Prime Minister. Last November I asked the minister what action he was prepared to take in light of the demand by the Saskatchewan Wheat Pool and other groups like the Ontario Corn Producers to assist in the farm financial crisis facing farmers right across the country. Since November the situation has worsened: moisture levels are low, world grain prices are low, farm debt is worse and interest rates have risen.

Why do the Deputy Prime Minister and the government refuse to act in light of this tragedy facing Canadian farmers?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the federal government is not refusing to act. It is very active in assessing the magnitude of the difficulties and trying to bring about and look at a number of options.

We are still waiting for the preliminary crop data from the province of Saskatchewan so we can send out the supplementary drought benefit payments which are due to them as a result of the enhanced crop insurance program that we put in place last year. We must have that information before we can accurately define the problem. When we accurately define the problem we will accurately provide a solution.

Mr. Maurice Foster (Algoma): Mr. Speaker, in 1986 the Prime Minister provided $1 billion when the Premier of Saskatchewan was facing a political disaster in the middle of an election campaign.

Now, tens of thousands of farmers face the loss of the land, including the premier himself. With seeding only two months away, can the minister say when he is going to act? Is he going to respond to the demand the premier made last night that at least $500 million be provided for spring seeding, which is only a couple of months away, so that these farmers can get ready for the crop year? Will he provide the equivalent proportionate amount of money to other farmers across the country? Will the Deputy Prime Minister respond?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated to the hon. member earlier, we are assessing the magnitude of the difficulty and are trying to devise some options that will respond to that difficulty.

As I indicated, we are eager to send out supplementary drought cheques. The cheques have gone out to the province of Manitoba and the province of Alberta under the multi-year disaster program. Saskatchewan could be receiving up to $80 million under that particular program depending upon the figures, when they come in.

We are also looking at what might be necessary in terms of short term cash flow necessity, as well as the longer term income support which hopefully can be tied into a long term safety net proposal that is currently being discussed by a special committee that was set up. We are not stepping away from the problem; we have not in the past, we are not today and we won't in the future.

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THE BUDGET

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Finance. He has just heard his colleague, the Minister of Agriculture, commit to providing major assistance to farmers across Canada as they face drought conditions, financial debt problems and increasing international competition.

I have a very simple question for the Minister of Finance. Where is the money going to come from? The Minister of Finance has cut the drought assistance estimates by $736 million. He has cut the reserve fund by 47 per cent. He has committed to the financial markets to hold the deficit line at $28.5 billion to meet his interest rate projections. There is no flexibility, no reserve and no contingency.

Will the Minister of Finance guarantee today that he will live up to the financial commitment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I will commit to today is that I will not go through with the spending record of the former Liberal governments: 1969 to 1970, 1970 to 1974, 17.9 per cent annual increase; 1979–80 to 1984–85, 14 per cent.

We have held our spending at 3.6 per cent. We are committed to holding it this year to a 3 per cent increase.

Mr. Crawford: Answer the question, Mike.

Mr. Wilson (Etobicoke Centre): The answer to the question is that we have taken the prudent action of having reserves that are in our spending program this year so we can respond to contingencies like my colleagues talks about in the agricultural sector—

Ms. Campbell (South West Nova): When?

Mr. Wilson (Etobicoke Centre): —like colleagues opposite have asked on the fisheries issues. We have moneys—

Ms. Campbell (South West Nova): We haven't seen it. We have gone bankrupt.

Mr. Wilson (Etobicoke Centre): Well now the hon. member's mouth is moving faster than her brain.

Ms. Campbell (South West Nova): Do something. People are going down.

Mr. Speaker: The hon. member.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the Minister of Finance is simply blowing in the wind. He knows that his government has made commitments to bail out fishermen. He is now saying they have money in the reserve fund for the farmers, but he has cut the reserve fund by 47 per cent.

There is no money there to meet these commitments. We want to know when this government is going to speak straight with the Canadian farmers and when it is going to answer the premier of Saskatchewan who said the federal government has now declared war on the prairie provinces? When is this government going to stop declaring war and start helping the fundamental farm and fish sectors of this economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think we have demonstrated clearly in the past that when there is a problem we will address it. We have indicated clearly that there are amounts of money in the reserves. When the consultation process described by the Minister of Agriculture has been completed, then we will be in a position to announce that.

In the case of fisheries, when consultations are completed on the question of fisheries, then we will be able to announce the additional—

Ms. Campbell (South West Nova): When? You said that a year ago.

Mr. Wilson (Etobicoke Centre): Now the hon. member from Yarmouth keeps yelling over there, and she should realize that we have already—

Ms. Campbell (South West Nova): You don't know. You don't see the people.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, maybe you should advise the hon. member that it is hard to hear when her mouth is going all the time.

Mr. Speaker: The hon. member for Mackenzie.

• (1440)

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is directed to the Deputy Prime Minister. I note in his responses on the agricultural question that both he and the Minister of Finance seem to think what they have is a problem with an old drought.

I would like to switch their attention to a more current problem, the problem of not being able to be competitive with the United States because our assistance programs do not match theirs, something the Minister of Finance alluded to, and the problem of the continuing escalation of the war between the Americans and the Europeans to reduce world grain prices.

Canada had an almost statistically average crop last year and yet incomes are falling to the point where there is less than zero realized net income expected in the province of Saskatchewan this year. Where is the aid that the Deputy Prime Minister has been promising would come in recompense against those grain wars? We have six weeks until seeding starts and banks are refusing to give money to farmers until they know where they stand. When will he announce, who will get it and how much will it be?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's question and the sincerity with which he asks it. I can respond in an equally sincere manner.

The fact of the matter is that we have put together a federal–provincial committee to assess the situation and to look at the application of existing programs. Quite frankly, unbeknown to most farmers, they are going to be receiving supplementary drought assistance payments as a result of the multi-year crop disaster enhancement that was put in place.

We are looking to see how that will fill that particular void. We are looking at ways and means of coming up with some cash flow to help farmers put their crops in. We are looking at the long term income system and hopefully that can be tied to improvements in the safety net.

This government has responded to the international price wars in the past. It is prepared to do so again. But I remind the hon. member that the level of enhancement has reduced quite substantially. In 1986 and 1987, the EEP was subsidizing grain and oilseeds to the tune of

about $200 per tonne, today it is about $80 per tonne. The United States is subsidizing under the EEP about $20 per tonne. In the meantime grain prices have increased between 1986 and 1989 by roughly 50 per cent.

All of those things have to be taken into consideration and I am sure my hon. friend will realize that you cannot merely pull a figure out of the sky. We are assessing the magnitude of the problem, we are assessing it accurately and we are going to respond in an accurate and full manner.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I believe that the hon. minister is trying to do something. He said so numerous times in this House and thousands of other farmers believe him as well. But the banks will not lend money on that. When is he going to put some dollars up so that we can decide whether we are going to have farmers putting in crops or farmers leaving the farms. That is what it has come to as far as most of the banks are concerned right now.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I can advise the hon. member that we have been working on this matter since the first of the year. The initial reports are coming in but I remind him again that at the present time we are waiting for crop insurance data from the province of Saskatchewan to complete the payments under the multi-year disaster program. This is the kind of information that we need. We are now in the process of looking at what the initial prices will be and I am sure my hon. friend will recognize that all of those things have to be taken into consideration before a full solution can be provided.

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VIA RAIL

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I have a question for the Minister of Transport. The Banff Chamber of Commerce reports that business in its area appears to have slowed down this winter, in part due to the VIA Rail cuts. VIA has received many proposals for the privatization of a system to supply rail services between Calgary and Vancouver.

When can the people of this area expect the resumption of a continuous rail service, a service which is crucial to their livelihood and which was promised to them by the previous minister?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker—

Some hon. members: Hear, hear!

Mr. Lewis: I am a little nervous when the opposition claps too.

I wish to advise the member that proposals for privatization have been received. The bids closed on January 15. I am advised that VIA is examining the bids, and they expect to be in a position to make a recommendation to the government by the end of March.

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[*Translation*]

IMMIGRATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in the absence of the Minister of Immigration my question is directed to the Deputy Prime Minister.

Yesterday, the Federal Court quashed Conservative legislation that was supposed to deal with the backlog of applications for refugee status.

The minister is aware that the refugee backlog is estimated at more than 100,000, and that many claimants have been waiting for a decision for three years. The saddest cases are those where parents have been separated from their children for several years, pending a decision allowing them to enter Canada.

Mr. Speaker, is the government at least prepared to allow these children to be reunited with their parents who have sought refuge in Canada, until a decison has been handed down in their case?

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, we are of course aware of the judgment that was handed down yesterday by the former Speaker of the House of Commons, Mr. Justice Jerome. We are now looking at the situation and considering the judgment, and we will give our response as soon as possible.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I will direct my supplementary question to the chairman of the Standing Committee on Immigration.

It is wrong to keep human beings waiting so long without a decision, and it is even worse to keep them separated from their young children. This problem requires a humanitarian approach, not a legalistic one.

The Standing Committee on Immigration conducted a long study on this matter and put out an important report in December in which it made serious recommendations to the government to improve the refugee situation.

Will the chairman of the committee call a meeting of the committee as soon as possible, call the minister before the committee and have her explain to the committee what she is going to do about this decision of the Federal Court and impress upon her the recommendations of the standing committee to speed up this process?

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, tomorrow the steering committee of the Standing Committee on Labour, Employment and Immigration will meet in order to study the judgment handed down yesterday by Mr. Justice Jerome, as well as other business to be undertaken by the Standing Committee including the Estimates which are also on the agenda for tomorrow. Of course, tomorrow, we will start analysing the report we tabled in the House on the refugee backlog which is directly related to the judgment.

* * *

[*English*]

VETERANS AFFAIRS

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is directed to the Minister of Veterans Affairs.

Why did he say yesterday that there were no cuts in veterans' benefits when reduction in the veterans' independence program in the words of the recent budget at page 84 "will save an estimated $18 million"? Why?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, yesterday they were talking about budget cuts. I mention again that there were no cuts in the actual dollars of expenditures in the department, and in fact with the veterans' independence program, there are major increases in that spending.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my supplementary is directed to the same minister, who said: "I assure the hon. member that there have been no cuts made at all".

• (1450)

The government's own documents state that the veterans receiving assistance under the veterans independence program, which is designed to care for them at home, will no longer be reimbursed for heavy housekeeping services to the tune of $18 million.

The average age of Canada's veterans is 70 and this is an essential service to them. This $18 million cut is counter to the aim of this program. I would like to ask the Minister of Veterans Affairs why he has allowed this to happen.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, to repeat, the heavy housekeeping unit of that program is in the veterans independence program. That particular program has been increased 66 per cent in this year's budget.

I want to say to the hon. member that there will be no additional costs to any veteran for moving from his own home into a hospital, and we can guarantee that. We can ensure that because each of these charges is means tested.

Some hon. members: Oh, oh!

* * *

NATIONAL DEFENCE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. At a time of declining east-west tension and limited defence dollars, can the Minister of National Defence explain the utility of continuing to invest over $1 billion, including

more than $300 million this fiscal year, in the air defence system known as ADATS, a system plagued by many failures and deficiencies, while at the same standing back and allowing the *Polar 8* ice-breaker program to be axed?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. member draws attention to a capital expenditure for equipment that is needed. I would like the hon. member to understand that the low level air defence is designed to defend Canadian men and women and Canadian air pilots—

Mr. Blackburn (Brant): In Europe.

Mr. McKnight: —and Canadian assets in a stationed atmosphere, particularly in central Europe today. As the hon. member knows, it is something that was lacking, it is something that will continue to be important, it is something that we will continue to do in an acquisition point.

The hon. member suggests that there are problems with the ADATS, but I can tell him that there is an opportunity where other countries are looking to purchase the very same equipment that he is being critical of in Canada.

Mr. Derek Blackburn (Brant): Mr. Speaker, in the first place, this equipment is designed to be used in Europe and only in Europe. Within the next couple of years in all likelihood our troops are going to be back here in Canada. More important, Oerlikon has had to fire managers on the project, quality control has been condemned by the United States Defence Department, and markets are non-existent. The Netherlands, South Korea, Finland and Turkey have all turned it down. Now I have a report in my hand from the United States which states that it is working at only 5 per cent efficiency.

Why is the Minister considering going ahead with this wasteful program that is probably going to lead nowhere and for no purpose?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. member in his assertions that other countries have not made a decision to acquire the low level air defence that is produced by Oerlikon is taking initial tests out of context, and making decisions and attributing them to other countries. He mentioned the Netherlands.

To my understanding, and maybe my colleague the Minister for International Trade could substantiate this, that decision has not been made by the government of the Netherlands. I ask my colleague to have patience.

Mr. Karpoff: A billion dollars worth of patience?

Mr. McKnight: No. What hon. members have to understand is that the men and women who serve in Canadian forces desire and need protection. Low level air defence was not available to those men and women. It has been developed in Canada. It has jobs for Canadian men and women. It has brought employment.

Mr. Blackburn (Brant): They are coming out of Lahr.

Mr. McKnight: Now the member says we are coming out of Lahr. Obviously, he has made a decision before the rest of the allies.

* * *

NAVIGATION

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is directed to the Minister of Transport. As the minister is aware, there is a proposal by the coast guard to de-man the lighthouse on Gannett Rock, which is off Grand Manan in the middle of the Bay of Fundy. It is a very busy navigational area and shipping lane.

My question to the minister is simply this: is the proposal to de-man this lighthouse a final proposal? Will it be accepted by the government and, if so, what assurances can the minister give us that the environmental and navigational concerns being expressed will not be compromised?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I know the interest my hon. friend has in this particular issue. There have been consultations between the coast guard and local people who are interested in the issue. I understand that they are examining the issues and it should be finalized in the very near future with the concerns of the local people taken into account.

[*Translation*]

HERITAGE LANGUAGE EDUCATION

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Secretary of State and Minister of State for Multiculturalism and Citizenship.

It is a fact that the government cut $4.1 million from the Heritage Language Education Program in 2,000 schools.

I ask the minister to explain to the Canadian people why this government is committing $6 million and establishing an institute at the same time that it is cutting educational programs. Is what the government is proposing an empty shell?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, reductions are always difficult. The budgets of our two departments were reduced by about $23 million. Times are tough. We must do something with our deficit to ensure a more prosperous, more secure future.

Our duty is to deliver programs in the best way possible and we shall continue to do so.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): My supplementary is directed to the same minister, Mr. Speaker. I refer to the Multiculturalism Act of 1988. The government's stated policy is to preserve and enhance languages other than English or French.

In its budget the government has cut financing for heritage language schools. This flies in the face of its own stated policy. Why?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, restraint is always difficult and we certainly had to be sure in evaluating all the priorities of the department that we were continuing to provide Canadians with the best possible service. It is about time that heritage language schools stopped being marginalized. Others can participate and contribute to their growth and development.

Our commitment to multiculturalism is very clear from what we have done in terms of our Race Relations Program Community Support and Participation Program, and the Canadian Heritage Language Institute that will be established. Some funding has been reduced but there are significant amounts of money that are still there for heritage cultures and languages.

* * *

THE BUDGET

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday the Prime Minister said that since 1985 there have not been any cuts to native programs, yet the budget completely does away with the native communication program which funds very important projects like the *Mic Mac News*, the only major native newspaper east of Montreal.

Why is the government giving the impression that it is helping the Micmac people when all it is really trying to do is silence them?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated in the House yesterday, the government continues to help all of the native people of Canada and to increase funding by $182 million in the coming fiscal year in the form of increased program funding for health, education, social and economic development programs directed to the native people across Canada.

Mr. Speaker: A very short supplemental.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, just last month the Marshall inquiry said that the Micmac people should have a greater voice in Nova Scotia. What kind of reward is that? What kind of greater voice is this when the government is cutting out the *Mic Mac News*? Why is the government stifling the voice of the native people? It is cutting programs. Admit it, and correct it.

• (1500)

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, if the hon. member will examine the Estimates of the Department of Indian Affairs and Northern Development, he will find that core funding for all of the native organizations in Canada has been preserved and that the programs will continue to serve the best needs and the requirements of the native peoples of Canada.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government; and the amendment of Mr. Young (Gloucester) (p.8636).

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock the hon. member for Labrador had completed his speech. The question and comment period following the member's speech is now available to members. Since he is not in the House, on debate, the hon. member for Fredericton—York—Sunbury.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I appreciate this opportunity, unexpected though it is at this very moment, to participate in the budget debate. I am very proud to have the opportunity to address this House on what I consider to be an outstanding 1990 budget.

Following a steady course since 1984, the Minister of Finance has again constructed a budget for the coming fiscal year which directs Canada toward financial integrity and economic responsibility. In so doing, the government will be compelled to introduce some difficult and initially unpopular expense control measures, but for the first time in more than two decades we have a federal budget with no new taxes.

Thus, we see a budget plan that responds to the demands and the needs which have been expressed by Canadians. For many months now, the message from all parts of the country has been clear; continue the attack on the debt and the deficit, but intensify the strategy to cut spending and do not increase the tax burden at all. This budget reflects that strategy in very strong and sound ways.

In actual fact, however, if there is any one major criticism which I have heard about this budget, it is that the budget does not go far enough. The national will for financial discipline is very strong indeed and the average citizen fully supports a government mandate to put our financial house in order. What that average citizen demands, though, is evidence and commitment that the measures which have been taken will truly be applied to solve Canada's financial problems, and not merely used to support or expand government spending programs. This budget provides such assurances in a very clear manner.

First of all, it confirms the accuracy and integrity of the current year's Estimates, which will result in a deficit of $30.5 billion as predicted one year ago. This is a remarkable accomplishment in its own right, because the past year has been fraught with unexpected economic adversities such as persistent inflation and high short-term interest rates. Fortunately, the economy has remained relatively strong, employment has remained at high levels and government revenues have increased as a result. Longer term interest rates have declined somewhat to help moderate government debt service expense. The net result is that the 1989 deficit forecast is right on the money, which is a continuing basis for confidence in the 1990 Estimates and in the five-year forward projections which accompany it.

The budget aims for a steadily falling deficit over the next five years and onward to balanced budgets and eventually, I hope, to surpluses after that. The deficit will be $28.5 billion in the new fiscal year and $26.8 billion in the 1992 budget. It is predicted that we shall be able to start redeeming bonds and paying down some of our national debt in the 1994 period.

Just imagine for a moment—that will prove the first time in 20 years Canada has actually lived within its means for a full fiscal year. What stronger or clearer commitment could any government make in response to its financial mandate.

The deficit targets for the next two years deserve special mention because they reflect significant provisions of $2 billion in extraordinary expense in each of those periods to pay major start-up costs of the goods and services tax program as it replaces the federal sales tax system commencing on January 1, 1991.

These costs will really be significant benefits to many Canadians—advance rebates of almost $1 billion as promised to low-income families before the GST even commences in December of this year, and about $3 billion to Canadian businesses for GST rebates on existing FST-included inventories and for one-time

payment of transitional expense up to $1,000 per business.

Here is hard evidence of the practical benefits which the goods and services tax program will bring to low-income Canadians and to many small and large Canadian companies. We have clearly budgeted $4 million, with cheques to be issued over the next 24 months. Here is hard evidence also of the deficit reduction progress really to be found in this budget.

Without these extraordinary one-time expenses, the next two years would be $2 billion lower in each case. Once those expenditures are out of the way, the subsequent diminishing deficit projections between 1992 and 1994 become all the more credible at $21 billion, $14 billion, and $10 billion respectively. Truly we can now see light at the end of Canada's financial tunnel.

That this 1990 budget marks a crossroads in Canada's financial affairs has never been in doubt, and the directions to be taken have been hotly debated in every corner of the country. The options have been advanced in a variety of policy formats: new taxes, moderate spending, drastic expense cuts, lower interest rates, higher inflation, a lower dollar, increased exports and so on. But in my view, the proper course has been selected.

With our national debt at $350 billion and growing at the rate of almost 10 per cent per year—and it could touch as high as $.5 trillion before we turn it around—this government is taking the tough tack through perilous waters, where the reefs have names like "recession" and "inflation", but where also lies the charted course toward calmer financial seas and toward fairer winds for future economic growth.

The restraint measures of this budget should help to contain inflation, which in turn should help to moderate interest rates, which then in turn should also stimulate renewed economic growth within our stable capacity to manage it.

I feel confident that this approach is the right one, that recession can be avoided and that stability and new progress will be achieved. This budget is not only a tough and a responsible one, it is also a fair and a sensitive one. Again, to ensure emphasis, it bears no new taxes. But even more important, there are several critical exemptions for people from the expense-control plans, namely, elderly benefits, family allowances, veterans pensions, and unemployment insurance payments. These constitute a continuing shift of the budget and taxation burden off the shoulders of low-income Canadians and are consistent with such measures introduced in previous budgets of the Minister of Finance and in tax reform bills.

Slowly but surely taxation relief and social security are being put in fair balance in Canada for those most in need of them.

• (1510)

Perhaps the most telling and yet sensitive policy initiatives for expense control in this budget are to be found in restraints applied to provincial transfer payments. As was expressed so well in a *Montreal Gazette* editorial last week, the funds for all levels of government come from the same ultimate taxpayer, so it is nonsensical to expect federal transfers to provinces to remain untouched when they constitute such a major item of federal spending.

To their credit, many provinces have been balancing their budgets, but this becomes a sort of phantom accounting when large portions of their revenue come from a federal budget which is on the edge of insolvency. Clearly, the provinces' transfers are part of the national financial problem, and so they must realistically be part of the solution. As a result, Established Programs Financing has been frozen per capita at 1989 budget levels and Canada Assistance Plan transfers will be limited to a growth of 5 per cent annually in Ontario, Alberta and British Columbia.

What is most significant in terms of this budget's fairness and sensitivity is the fact that all other provinces which qualify for equalization payments will be exempted from the CAP limits, as will the equalization program itself be exempted from the expense control plan. Equalization payments will continue to flow to the provinces in the same proportions as they have traditionally.

These exemptions are an innovative recognition that regional economic disparities and imbalances do exist in Canada and that reciprocating advantages must be provided to fairly balance the application of economic policies. This is not possible with some options such as interest rates where selective application would be non-viable but the unbalanced approach to restraint measures as used in this budget do go far to achieving a fair balance of economic policy right across Canada. For example, total federal transfer payments to Atlantic Canada will grow at the rate of 4 per cent in the coming year while they will also be held to a rate of only 2.3 per cent in Ontario. That does seem fair, given the compara-

tive levels of economic activity between Atlantic Canada and Ontario.

In fact, in my own province of New Brunswick, the Liberal government of Premier McKenna has publicly expressed acceptance of, if not support for, this 1990 federal budget. Although the new restraint measures do have significant impact on New Brunswick to the tune of $25 million in 1990 and almost twice as much in 1991, nevertheless these reductions amount to less than 1 per cent of total provincial revenues.

By contrast, the aggregate of all federal transfers to New Brunswick year after year, account for more than 40 per cent of all New Brunswick's budget revenues. As in New Brunswick, so is the case with most other provinces. No group should be more vitally concerned about supporting the financial health of the federal government than the finance ministers of those provinces and their premiers.

The opposition financial critic has been quick to claim that restraints on provincial transfers will lead to higher taxation by the provinces. His case is weak in the extreme. For example, in New Brunswick the provincial government indicates that it should be able to balance its own 1990 budget and acknowledges that program spending restraint to follow the federal example may be the most reasonable course. Perhaps federal Liberals should consult with their provincial colleagues to learn and understand that small "c" conservative financial responsibility is conventional wisdom these days in Canada and that big "C" Conservative financial policies are receiving strong public support.

One of the best cases to be made in this regard is the disciplined containment of federal program spending over the past five years at 3.6 per cent annually, less than the rate of inflation. By comparison, the provincial average over that same period has been almost twice as high at 6.4 per cent with some provinces, notably Ontario, increasing their spending at rates well over 9 per cent.

Simply put, the federal example of program spending restraint is the best in the nation and has been posed in this budget as an essential challenge for the provinces to emulate. Far from promoting increased taxes, this budget sets a model for financial discipline. The federal example of 3.7 per cent restrained growth in program spending over the next two years clearly demonstrates to the provinces that more can be done to limit expenditures.

In the same context, the premature conclusions by opposition representatives that a two-year freeze on EPF transfers will directly result in cuts to education and health are invalid. As they well realize, or should know, EPF funds are no longer restricted and the provinces have been using this money in a variety of ways for several years. In effect, EPF is now virtually block funding and does not hobble the financial flexibility of any province to select its own spending priorities. There is simply no valid reason why education or health should become special targets as a result of this budget.

To the contrary in fact, the granting councils, the National Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council and the Medical Research Council, which provide research support to universities, have been specifically relieved from the 5 per cent CAP applied to other areas of science and technology in this budget.

It is very significant that these granting councils have been specifically relieved of the 5 per cent limitation applied to all other areas of science and technology and that should be recognized by those in the fields of education and health as a very significant and appropriate measure in the budget.

The provinces will bear close to one-third of the $3 billion expenditure savings contained in this budget, which is a moderate share in a major national mission toward financial responsibility, particularly considering the fact that funding to the provinces over the past five years has consistently consumed 23 per cent of all federal program spending in cash terms.

As federal debt has risen to support these and other major costs, the federal budget for debt service has grown to 35.1 cents of every revenue dollar. By comparison, the average provincial debt is serviced by only one-third of that amount or 11.8 cents of every revenue dollar. Even in Atlantic Canada provincial debt service is less than 15 per cent of revenues. So again, simply put, the provinces rightly share the benefits of the federal

purse and they must also rightly share the burden of the debt against it.

For my own province of New Brunswick, it is worth noting some of the key implications of this 1990 federal budget. Total federal transfers will increase to New Brunswick by almost 4.5 per cent in 1990 and will total well over $1.5 billion, more than 40 per cent of the total provincial budget. No direct cuts have been made, except that per capita EPF grants are frozen for the next two years at current levels. This represents less than 1 per cent of New Brunswick budget revenues and is a restraint on future expectations and not on present funding.

Federal transfers will average approximately $2,100 per citizen in New Brunswick during the coming year, the third highest in the nation after Newfoundland and P.E.I. Major federal projects in the province remain uninterrupted, notably the frigate construction program in Saint John and the combat training centre at CFB Gagetown. By contrast some multibillion dollar projects were totally cancelled in other parts of Canada. As announced late last week, the ACOA program, which is so vital to Atlantic Canada, has not been reduced and, in fact, additional new areas of activity such as marketing will be supported and funding limits have been extended to provide for larger projects.

On balance, therefore, and particularly by comparison with larger more affluent provinces, this budget recognizes the special economic circumstances of New Brunswick and the entire Atlantic region.

As most Canadians understand, our country has been living beyond its means for a long, long time. That is what deficit financing means, spending more each year than we are prepared to pay for or can afford. To the credit of this government, in 1984 it recognized the dread disease of deficit and debt in Canada and embarked upon an agenda for economic renewal as a long-term course toward cure and recovery from our nation's financial illness. The facts of their success are revealing, particularly in operating budget terms when you separate debt service from operating revenues.

Mr. Speaker, I am coming quickly to a close. In 1984 we were not even remotely covering program expenditures and we had an operating deficit of $16 billion as part of the total deficit of $38 billion. In the current year now ending, only five years later, we shall have an operating surplus of $9 billion, unfortunately still as part of a continuing total deficit of $30.5 billion.

• (1520)

The striking reality is that we have achieved major progress in bringing program spending under control. In that five-year period an operating deficit of $16 billion has been turned to a surplus of $9 billion, a net gain of $25 billion.

Time obviously does not permit me to address the many other important issues and detailed Estimates contained in this budget. I have described the features which I believe bear special mention.

Over-all, this budget is another major move in a consistent direction toward financial integrity for Canada and it is one which I endorse and support fully.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have listened with great intensity to the member's speech. I want to ask him two basic questions. One deals with the issue of confidence that the Canadian public has in the Minister of Finance.

Last year when the minister presented his budget, he said that the interest rate would be 10.5 per cent at this time. It is now closer to 13.5 per cent; an error of 30 per cent. Three years ago the Minister of Finance said that by this current year the deficit would be reduced to about $14 billion. It is closer to $30 billion; an error of 100 per cent. Now the Minister of Finance is giving nice rosy projections as to what is going to happen in 1994 and 1995. Why should the Canadian public believe him when his previous predictions turned out to be totally unreliable? Second, the government keeps saying that there is a need to reduce the deficit, to cut spending. I want to ask the member how, in light of the need for reduced spending, government members can support the bill as they did last week? How can they bring in a mass tax concession in terms of increased RRSP contributions for the wealthy, increasing it by another $400 million for those earning between $50,000 and $86,000, bringing the total tax concessions on RRSP contributions to people earning in excess of $50,000—which is the the same as losing taxes—to $11 billion this year? If there is such a

shortage of money, why did the government proceed to give more tax concessions to its wealthy friends?

I want those two questions addressed. What confidence does the public have in the Minister of Finance? His predictions in the past have been totally erroneous. Why, if there is a need to reduce the deficit, is the government still giving away tax concessions to its wealthy friends?

Mr. Bird: Mr. Speaker, the public of Canada does have extreme confidence in the Minister of Finance, and well they should have. The Minister of Finance last year predicted that the deficit in 1989–90 would be $30.5 billion. He has been faced since that time with a number of extraordinary circumstances, such as increasing inflation and increasing interest rates. Yet, he is coming in right on the money at $30.5 billion. His predictions over the history of his tenure have been exceedingly accurate on balance. I believe there is good cause, particularly given the improvements in the operating surplus position as I have described in my remarks, to believe that we will see the deficit predictions that he has made met on the money—$26.8 billion in 1991, $21 billion in 1992, $14 billion in 1993 and $10 billion in 1994.

Just imagine, in 1994 the deficit will be cut by two-thirds from present levels and the government will be in a position to start redeeming its bonds and paying down its debt for the first time in a quarter century. The people of Canada will have immense confidence in this finance minister for decades after that.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the member for Fredericton—York—Sunbury said something that has me somewhat puzzled. In fairness to him, the subject is education. His government, on the one hand, has instructed the Canada Manpower Centres to put emphasis on training in a province like Newfoundland where those who complete the training have no jobs to go to. That is not a euphemism. That is not a catch phrase. It is not a partisan phrase. It is a fact of life. They do their training, they go to the community colleges and take computer training to do all kinds of things and then they turn around and there are no jobs for them to go to. The emphasis on training might be good for Toronto and other parts of Canada but it is certainly not good for my constituency in Newfoundland and, I would suggest to the hon. member, maybe for parts of his area.

The other half of this coin is that this training that the Manpower Centres insist on precludes the smaller communities from employing its people on the small infrastructure development projects that certainly were in vogue when I first became a member of Parliament. That employment, in some cases, is the only means of qualifying for UIC. They are the only jobs that they can get, so you get community infrastructure and you get jobs. But that is all gone now because they have to go off and do training and in some cases the people cannot qualify. Communities end up with no infrastructure. So right now there is no aid package for the economic crisis and no jobs for job development programs.

On the other hand, this government says that it is bent on training, but the Minister of Finance, in his budget, has put together what is considered to be, by most people in the business, a loss to the post-secondary education of $9 billion by 1995. I cannot understand this dichotomy. Where are we heading? Are we for training and education or are we not?

Mr. Bird: Mr. Speaker, as someone once said, if you think education is worthless, try ignorance. The facts are that Newfoundlanders are not ignorant and Newfoundlanders recognize, I am sure, as even the hon. member recognizes behind his rhetoric, that training, innovation and creativity do constitute the solution to some of the structural economic and unemployment circumstances in which we find ourselves, such as the fishery.

If the resource is gone, depleted through a variety of causes, we cannot simply reside there in blissful dependence forever on any government. I do not believe Newfoundlanders want that. I believe Newfoundlanders do want training, they do want to be educated and pointed in new directions. That is what is going to happen.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I would like first of all to thank the hon. member for Regina—Lumsden who, as a long-time

experienced member of this House, has agreed to allow me to speak before him.

Mr Benjamin: It will cost you.

Mr. Blais: I know I am going to pay for this, but he will have the tremendous experience of listening to my speech.

Mr. Benjamin: You should stay for mine.

[*Translation*]

Mr. Blais: Mr. Speaker, it is a great pleasure for me to participate for the first time as Minister of Consumer and Corporate Affairs in the budget debate. Needless to say, it is with much enthusiasm and confidence in the future that I approach this new mandate which the Right Hon. Prime Minister has given to me. I would like to tell you, Mr. Speaker, and this House that I will fulfil my new responsibilities to the best of my knowledge and with a great deal of energy. I will also continue to discharge the important responsibilities of my position as Minister of State for Agriculture with the same interest and dedication.

The Budget tabled in this House on February 20 by the Hon. Minister of Finance, Mr. Speaker, is quite in keeping with the policy of fiscal responsibility that our government has pursued for the past five years. This Budget brings us closer to our objective of reducing the deficit by 1994 while taking account—and I think this is important—of the immediate needs of people of modest means. This is a big challenge, a difficult challenge, but I believe that we now have all the tools in hand to meet it.

When we came to power in 1984, the economy and public finances were in disastrous shape. I do not need to remind this House of what the size of the deficit, the unemployment rate and inflation were then then, and also the interest rates that had ruined many of our businesses.

• (1530)

Correcting this situation, Mr. Speaker, required more than cosmetic measures and improvised policies. It took a long-term policy, a real action program to put Canada back on the road to economic prosperity. That is what we proposed then. The Minister of Finance, the same one as today, offered Canadians a comprehensive, articulate, multi-year plan that would enable Canadians to prepare the future.

This plan, Mr. Speaker, was based on two main thrusts, two priority areas for action: first, restoring the public finances and second, creating a favourable climate for measures to stimulate economic growth.

We therefore took strong measures to reduce the deficit which then was approaching $40 billion, as you will recall. We first attacked public expenditures, especially program spending which at that time was more than government revenues and was growing at a frightening rate of 14 per cent a year. At the time, people would say that the government was borrowing to pay for the groceries.

Over the next five years, this growth rate in program spending was brought down to 3.6 per cent. That was real belt-tightening. It would have been difficult, really difficult, Mr. Speaker, to be credible when we asked Canadians to tighten their belts if the government for its part took the attitude that it could continue to spend more than its income by increasing its spending inconsiderately. We therefore began by tightening our own belt as a government.

We also reduced the size of the Public Service by 12,000 person-years. We have in fact returned to the 1973 level; the size of the Public Service is what it was 17 years ago, with the result that today government spending is less in dollar terms than it was five years ago.

Mr. Speaker, we also transferred to the private sector Crown corporations that no longer met the objectives for which they had been created and that also were running deficits. Today, not only are these companies no longer a burden for the government but they have become prosperous enterprises contributing to Canada's economic growth. It was a step we had to take. We took it and we will continue to do so over the years, Mr. Speaker.

If we had not introduced these measures, the government's Budget would be $22 billion more than it is today. However, to turn around the economy, we not only had to put our financial house in order, we also had to adopt measures that would allow the private sector to develop its potential for growth.

That is why we adopted a policy to deregulate major economic sectors such as energy and transportation, to name but a few.

We replaced the Foreign Investment Review Agency, which does not arouse fond memories, with Investment Canada.

Our initiatives have produced results, Mr. Speaker. The economy has expanded for seven consecutive years. Our job creation rate has been the highest of all industrialized countries except Japan. The purchasing power and after-tax disposable income of Canadians increased dramatically. These are facts and figures that speak for themselves.

However, we also had to open up new opportunities for our economy, at a time when world trade is becoming global and increasingly powerful trading blocks are being formed. That is why we negotiated a free trade agreement with the U.S., which gives our products and services secure access to the richest market in the world and which will lead—the figures from independent agencies are there to prove it—to a sustained 3.5 per cent increase in our economic output. A lot of money, a lot of investment and a lot of jobs are reflected in this figure, Mr. Speaker.

I realize that many of our friends across the way will continue to drape themselves in the Maple Leaf, in order to oppose free trade. They don't know or pretend they don't know that in the past year, prospective investment has increased by more than 11 per cent, that business has been urging us to speed up elimination of tariffs and that Canadian companies are eager participants in our programs to promote sales in the United States. These are unmistakable signs, Mr. Speaker.

Obviously, when you have run the country on a hand-to-mouth basis for 15 years, it is not always easy to understand what is involved in long-term management of public finances which keeps the future in perspective. That is what we are doing. We are giving our companies and our workers the best possible tools to get ahead in a world that is becoming increasingly competitive and where no one is going to give it all to us on a silver platter.

The tax reform that will come into force next year is also a case in point. The new goods and services tax will rid us of a tax system that is obsolete, unfair and extremely harmful to the Canadian economy. It will give us a modern tax system, one that already exists in 48 countries across the globe. It is a system that, whatever people say to the contrary, will help low- and middle-income Canadians improve their lot.

The goods and services tax will help achieve three goals: reduce the deficit, stimulate the economy and make our tax system more equitable.

Mr. Speaker, we are well aware that certain measures are not very popular at first. This is to be expected when aiming for long-term benefits, and in any case, we are certainly not trying to win a popularity contest. That is not why we were elected, Mr. Speaker. We were elected to govern with a long-term perspective, in the best interests of Canadians.

The future demands that we act responsibly. First of all, we cannot afford to leave to future generations, to our children and grand-children, the debts that we ourselves incurred. We must ensure that Canadians will continue to have one of the most advanced health care systems in the world, social programs that are among the most generous of any country, and a modern education system. We must also be able to respond to the new challenges of the future, such as protecting the environment.

If we are to be successful, Mr. Speaker, we cannot wear blinkers. We must have a vision of the future and the courage to defend that vision, even at the risk of becoming unpopular.

Reducing the deficit and the national debt is not the end-all and be-all, but it is the only way to provide for a prosperous economy and a better future for Canadians. It is the only way to have the flexibility we need to make real choices. We cannot make real choices when one-third of every dollar collected by the government goes to pay off the debt. If we let this percentage increase, we may compromise our future by reducing that flexibility, thus becoming increasingly vulnerable and, in the long run, unable to maintain those programs to which I was referring and which are so much a part of our lives.

The Budget brought down by the Minister of Finance keeps us on the track of budgetary responsibility. The government will continue its expenditure control plan. We will save $7 billion over the next two years and nearly $20 billion over the next five.

• (1540)

We have asked Canadians to make many sacrifices in recent years. There is no easy way to reduce the deficit. We have done everything we could to keep the impact on Canadians to a minimum. We announced no new taxes in this Budget. Exempted from the expenditure control plan are all income security programs and most transfers to the provinces, especially the poorest provinces receiving these transfers.

Few programs have been eliminated or reduced. We preferred to cap growth of government spending in most areas, as a signal to the public and to the provinces which must realize that inflation, which has not yet been beaten, is no accident. It is not just a figure that appears once a year or once a month and tells us we have an inflation rate of 5 per cent, 4 per cent or 6 per cent. No, this figure happens to be the sum total of various factors produced by the provinces, the private sector, unions, government—the federal, provincial and municipal governments—when they fail to take the necessary steps to keep their spending below the rate of inflation. That is the only way we will be able to reduce and control inflation.

The government will also continue to introduce new measures to make its activities more efficient and less costly. Thus, increases in departmental operating and maintenance budgets will continue to be capped at 2 per cent until 1994–95. A meager 2 per cent, as has been the case since 1986–87.

Mr. Speaker, our message to Canadians is clear. Leadership in reducing the deficit has come, first of all, from the government, as all the figures have shown. In the years to come, we will continue to tighten our belts, as we have been doing for five years. We will be able to say, with pride—the government can often be accused of saying: Do as I say and not as I do. That is not the case, Mr. Speaker. We have set an example.

Before concluding, I would like to say a word about how my department, Consumer and Corporate Affairs Canada, intends to fulfil its mandate for fiscal responsibility.

My department is one of those which have done the most in recent years to increase productivity in the federal Public Service. My department has met all the expenditure reduction objectives set by Treasury Board. Thanks to office automation, rationalization and privatization, staff cuts of up to 30 or 35 per cent have been achieved in some services and our cost recovery policy has increased revenues by about 92 per cent since 1984. We realized that Canadian companies and Canadians could pay for some services from my department. They pay and it is normal and legitimate.

As you know, Mr. Speaker, my department's mandate is to ensure that the market operates efficiently and fairly. In that regard, we have a particular responsibility to help companies be more competitive. Therefore my department will have an important role to play in the coming years in building a strong economy which will enable our companies to stand out and benefit from the development opportunities that free trade and tax reform in particular provide us.

At the same time, Mr. Speaker, consumers for whom I am also responsible will ultimately benefit from a more competitive, more productive economy. Consumers will benefit from it in the end. It is important for Canadians because at some point all of us without exception are consumers in this country. I think that what we are doing for consumers' benefit is important.

In conclusion, Mr. Speaker, I want to say a few words about the Department of Agriculture which has also done more than its fair share. Its budget for the next fiscal year has just been reduced by more than $400 million. The end of the assistance program for crop losses due to the 1988 drought and the cancellation of the policy to set the domestic price of wheat, to mention only these two, will enable us to make substantial savings.

The budget under consideration is in keeping with our fiscal responsibility commitment. We can no longer afford to come up with the kind of budgets like those where our Liberal friends would forecast a deficit of $2 billion or $3 billion and end up with $17 billion in the red. At the same time, Mr. Speaker, they would not even look twice at the expenditures and increase them by 14 or 15 per cent in all departments. This explains why we are now in such a tight fiscal situation and must tighten our belts even more to get our economy back on track. I am sure the budget of the Minister of Finance will help us achieve our objective. Canadians are in for a long and difficult period, but as members of the House it is our responsibility to make them understand that if we want to keep our country free and independent, and if Canadians want to remain proud of the social programs

we have set up over the years, this can only be done with a budget like this one, Mr. Speaker.

Mr. Duhamel: Mr. Speaker, I appreciate my Hon. colleague's comments. I should like, however, to develop further the notion of a "vision of the future" which he raised.

Quite recently, a friend of mine mentioned that the budget of an individual, an organization, a government or a private enterprise greatly reflects the priorities of this individual or group. In a sense, it is an image of his or its soul, because the way I spend my money is indicate of the values I hold dear.

Now, when I consider this budget, I note that the Government increased by as much as 5 per cent the funding of a number of departments, including National Defence. I think it increased the funding for Intelligent Service by as much as 20 per cent. Other fundings were either limited or frozen. For instance, this budget comes down very hard on the old, the sick, the veterans, the young, the natives, Canadian women, and a number of regions: their funding were either frozen or allowed a limited increase. I am referring of course to the health care and education programs.

Moreover, taxes will increase, and I just wonder how the Minister can claim with such fanfare that there will be no new tax, when the Governement has announced that the GST will be implemented in January 1991, unless of course it plans to withdraw it, which would be very good news for Canadian men and women.

My question to the Minister is this: If you followed my argument don't you think that serious self–examination is in order for the Government when it claims that its priorities are really what Canadian men and women need?

Mr. Blais: Mr. Speaker, the hon. member has just given us an example of a syndrome that is also found among some members of the Canadian public, and I am referring to the "not–in–my–backyard" syndrome. It is true that a budget must reflect priorities. Our priorities are reflected in the fact that we are capping spending increases in areas that are not particularly sensitive or vitally important, and we have protected all components of our social programs from these cutbacks. I would say the hon. member is again showing the kind of attitude I fail to understand. He says that the CSIS budget, and in fact I was responsible for CSIS until last week, was increased by 20 per cent. What the hon. member tends to forget is that the Department of Employment and Immigration is being criticized for not being quick enough in processing refugee cases. To process these cases, however we have to hire people to process security files—

Mr. Duhamel: Twenty per cent more?

• (1550)

Mr. Blais: Yes. We have to hire people for the Canadian Security Intelligence Service, we have to hire people to deal with this backlog of 100,000. Nearly half of question period was on this issue alone. At the same time, people object and question why the increase in the budget of the Department of National Defence is limited, but when we cut 14 military bases across the country, they are the first to come and ask the government not to cut military bases in Canada, not to cut this item or that. It is always the same story. We all want cuts but not in areas where we are affected, never in our priority areas. That is why the government, Mr. Speaker, has shouldered its responsibilities and faced this reaction which is to some extent legitimate from people who say, "Well, I don't want you to cut in my area." We have to make drastic decisions, cut everywhere, as is normal, exempting some areas such as social spending and spending in the most disadvantaged provinces.

I think that answer is quite appropriate and reflects the government's priorities, Mr. Speaker, because a budget, as you said, reflects a government's priorities. You will find them there, because we are not imposing any new taxes. The GST which was announced previously will be fairer for Canadians, which you refuse to admit. You simply say that this tax is not right for Canadians. But you forget to say how it could be replaced. You forget to talk about the present tax which is applied to manufactured products—

The Acting Speaker (Mr. Paproski): I regret to interrupt the hon. member, but the period for questions and comments has now expired. Debate. The hon. member for Regina—Lumsden.

[*English*]

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I wish to draw to your attention—and you may wish to make a mark on the wall—that for the first time in 21 and a half years, I am not going to say anything about transportation today. As much as I would love to let you hear my Crow rate speech again, I will not do it.

I am sorry my colleague cannot stay to hear my speech, because it is going to be magnificent.

Mr. Blais: I am going to read it in *Hansard*.

Mr. Benjamin: I want to touch briefly on interest rates, the deficit and the debt, plus an area that I am responsible for as critic for my party, namely, veterans affairs. I apologize for not notifying the minister that I would be here to do that today. I hope he is watching in his office.

I recall in 1981–1982 when interest rates got even a little higher than they are now—

Mr. Redway: Quite a bit higher.

Mr. Benjamin: —hearing the members of the Official Opposition, including the present Minister of Finance, berate the then Liberal government daily about the folly and the fallacy of a high interest rate policy; the folly and the fallacy of trying to prop up the Canadian dollar.

Every time somebody wants to know what our dollar is worth compared to the U.S. dollar, it is like the old Vaudeville joke, when one lady asked the other one: "How is your husband?" the other lady said: "Compared to what?"

We have been through this before historically. The government could accomplish its same deficit reduction as proposed in the budget by dropping interest rates. Using the Minister of Finance's own projections, every 1 per cent drop cuts the deficit by $1.7 billion in year one, $2.6 in year two, $3.1 billion in year 3, and $3.5 billion in year 4. The normal spread between interest rates in the United States and Canada is around a 3.0 to 3.5 per cent rate difference. But we are running at 5 and 5.5 per cent difference now.

I do not understand this nonsense. I am just an innocent stubble-jumping prairie boy. The minister complains that he is fighting inflation, but he has raised interest rates over the past year to the point now where the Bank of Canada rate is over 13 per cent, and the rates are anywhere from 14.25 to 15 per cent on consumer loans or mortgage loans depending on who you go to. Since he was the one who complained vociferously when the Liberals did this, why didn't the minister arrange with the Governor of the Bank of Canada to lower interest rates by 1 per cent immediately and over the next year another 1 per cent? With that mechanism alone, he would have wiped out the deficit in four years. If it meant bringing in foreign exchange controls or pegging the dollar, fine, let's do it.

On that note, I want to say for the benefit of my hon. friend, that we did that for six years during the Second World War. We financed that entire war without any foreign investment, without any foreign capital. Canadians did it by themselves.

Mr. Redway: There is only one difference, there is not a war.

Mr. Benjamin: Why don't we have a declaration of peace and use the same methods now as we used then? It takes courage and it takes flying in the face of the old line party conventional wisdom.

If the deficit and the debt at the end of the Second World War in early 1946 were translated into 1990 dollars, it would be half again higher than our present national debt and our deficit. Thank goodness, because we had to rebuild our entire economy, we had full employment and we wiped out those debts. By 1956–57 they were paid off. My victory bonds and Canada war savings certificates were redeemed, and the same with all other Canadians.

During the Korean War, Lester Pearson pegged interest rates and imposed foreign exchange controls. In 1959–60, John Diefenbaker did exactly the same thing. The Americans did not like it, but tough cookie. We kept inflation down and we kept a relatively high employment rate. If you really want to wipe out the national debt and bring the deficit down to zero, and if we are lucky show a surplus, you have to follow a policy of full employment. I will leave it at that.

As a veteran and one who was most honoured when asked by my previous leader and the present one to be the critic for veterans affairs, I never thought I would live to see the day that a government of any kind would attack veterans. I have been here as you have, Sir, since June, 1968. Every member of Parliament in every year since then, every political party that had representation in this House agreed, and there was never any question about it, that we will never be able to fully repay them. It

was sacrosanct. It was not as much as we could do or should do, but it was the minimum we must do.

• (1600)

Now we have the obscenity of this mealy-mouthed, chiselling of our war veterans. I do not understand it.

The government in the past two months has spent $3 billion of our money to do what? To prop up the Canadian dollar. Why in God's name would it want to prop it up? Every time it keeps the Canadian dollar high, it hurts our grain sales, grain exports, livestock exports, forestry products, fisheries, potash and sulphur; you name it. That is what has got us into difficulty.

Our trade surplus is the lowest it has been for God knows how long. But imagine. The government spent $3 billion of our money to prop up the Canadian dollar. Frankly, if it is at 83 or 84 cents right now, I would say put it down to about 75 cents compared to the American dollar. That would be a neat way to compete with the Americans on their export enhancement program on agricultural products and how they have been doing us out of markets on grain sales because all those international contracts are in U.S. dollars. Then we would show them where the bear sat on the buckbrush.

The fact is that one of the items to reduce the deficit picks on veterans. I did not even think a hard-hearted Tory like my hon. friend across the way would stoop that low. I just did not believe any of them would do that.

The Department of Veterans Affairs will raise rates for board and lodging for veterans in department controlled beds in long-term care and the heavy housekeeping component of the veterans' independence program will be cancelled. If this country and this government are that hard up and that desperate that they have to pick on our veterans, there is something wrong with our priorities, particularly the priorities of the government.

There is a means test on whether or not veterans will pay board and lodging in a government operated veterans home or a home operated by a provincial institution or a private institution. If a veteran who receives $820 a month of $9,840 a year, is paying no board and lodging, as long as he is not a victim of war wounds he will have it go from zero to $240 this year. Next year it will go to $420.

Do you realize, Sir, that that incomes test is $2,000 a year below the poverty line? As a minimum criterion the incomes test should be no less than the poverty line and it should go up each year according to inflation.

Under the incomes test a married veteran will get $1,234 a year which he is allowed. That comes to $15,808. The poverty level for a married couple in Canada is $19,250. The income test for the married veteran who requires long-term care is $4,000 a year below the poverty line.

There have been remarks made both inside the Chamber and outside the Chamber. I want to express my extreme sadness. One noted and honourable spokesman for a veterans organization in Canada said the other night on television that some of these guys even leave a an estate when they die.

Is that not terrible? Is it not terrible that they were able to put away a few dollars to leave something for their children and the grandchildren? What the devil is wrong with that? We encourage every other Canadian to do it. We give them tax breaks to do it, but we do not do it for veterans. My goodness, if they are going to leave an estate, that is not terrible. They should be allowed to leave that.

The married veteran in long-term care is allowed $1,057 a month if his spouse is at home. There is a comfort allowance for him and his spouse of $128 a month. This is under the old Tory incomes test. Next year the pensions will be indexed upward by 5 per cent, but the board and lodging rates rise as well. Why bother with the increase in either one? The married veterans will still be allowed their $1,057 a month and their comfort allowance, if you can call that comfort, will remain at $128.

What cuts are involved? This year the board and lodging rates go from zero to $240 for about 1,300 veterans and lesser amounts for a larger number. Next year they go to $420 a month based on the rate of the lowest province in Canada which at the moment happens to be Alberta. It is a way for a province to be encouraged to pick up some extra money and raise its rates, which

will immediately raise the board and lodging rates veterans have to pay. There is no maximum. That $240 and $420 are not maximums.

The government deleted the heavy house cleaning allowance. It was twice a year. Even if they cut it down to once it would be all right. All of us can remember when our mothers house cleaned in the spring and fall.

The whole family had to pitch in and work. My dad washed the ceilings. The kids had to clean up the basement and wash walls. We all had to do it. But how is a 70 year old or 80 year old veteran who wants to stay out of long-term home care supposed to do that heavy house cleaning? The government kept the light house cleaning. He or his spouse could do some of that, or perhaps both, or get the kids in to help. When it comes to washing walls and ceilings, I do not want to see an 80 year old veteran trying to get up a ladder to wash a ceiling.

• (1610)

Then there is cleaning the drapes. Have you ever sent drapes to a dry cleaner? Dry cleaning is eliminated too. If you do your drapes once a year you know what the bill is like. Also cleaning attics, basements, garages and/or outbuildings. By the way, would you believe there are still places in Canada where they have certain kinds of outbuildings; some are one holers and some are two holers. Any home improvements, including stripping and sanding of floors, replacing and laying new carpet and chimney cleaning. Do you want to see a veteran in his seventies trying to clean his own chimney?

Good God, what are they doing? What do they think they are doing? Better still, why do they not think about what they are doing?

All parties and every member of this House since 1945 have said and agreed that we could never fully repay them. How come this government and this Parliament are going quietly—a lot of other members and I are not going to be quiet—to acquiesce to this kind of cheap chiselling on people whom we have agreed for five decades we can never fully repay? What in God's name is the government doing?

I have a document that was sent to the Regional Director General of Operations of the Pacific in Vancouver. I do not blame civil servants; they have their orders to implement government policy. When veterans have called and said "well, how come you did not tell us before", they have said it was because they did not know it was in the budget. There was no advance warning.

I want to conclude by referring to the increases. Yesterday the minister tried to say there were no cuts. I sent my cat to the vet the other day and we got him cut. I can tell my neighbours that that cat ain't cut. No matter which way you cut it, the veterans have an increase in their board and lodging and they have a decrease in the veterans independence program. If that ain't a cut, I never saw a cut cat in my life.

This country has no business chiselling in this area. In hundreds of other places people are making over $86,000 a year and get all the benefit of the new breaks in the RRSPs. I guess them that has gets.

I want to say that we are going to make sure that every veteran in every branch of the Legion and Army, Navy and Air Force veterans all over this country knows about this. They do not have the details. We are going to give it to them, and then they can give it to this government. I hope if the government does nothing else about this stupid budget, it will at least withdraw the provisions regarding the veterans of Canada.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I want to go back to a number of things my colleague spoke about. I must say that I hope his passionate plea on behalf of veterans does not go unnoticed across Canada. I think it was eloquent and certainly put forward very clearly what is being done to the veterans and the fact that this country owes them so much.

I want to go back and talk about a couple of other things he mentioned: the question of interest rates, inflation and the dollar. The government keeps saying it has to jack up the interest rate to bring down inflation.

Somehow I got mixed up. I thought really half the problem of pushing up inflation is high interest rates. I will use one example. In housing right now interest rates are at 13.5 per cent instead of the 10 per cent that the Minister of Finance promised a year ago. This means that on a $100,000 mortgage monthly payments are $250 more. That is inflation, $250 more. The person has to earn nearly $500 to have $250 in his pocket. He has got to demand $500 more in wages. That is inflation.

My feeling is that inflation is being caused by the high interest rate policy. The government can continue to jack it up to 20 per cent, but it is not going to bring down

inflation. In fact, it is just going to continue to push it up. I would like the members comments on that.

Mr. Benjamin: Mr. Speaker, my hon. colleague is as usual 100 per cent correct. He is just repeating what the present Minister of Finance said to the Liberal Minister of Finance in 1981 or 1982 about high interest rates. That government of those years and this government are the architects of their own problem. The more you raise interest rates, the more you increase the deficit.

When the Minister of Finance cries about how much of the government's expenditures have to go to pay interest charges, you would think he would phone Mr. Crow and say: "We have to do something about this". Oh, no, Mr. Crow increases the interest rates and then the Minister of Finance comes in here and says: "We have a problem. We have to cut back on veterans and a whole bunch of other outfits". All he had to do was cut back interest rates. Over the next four years, by just knocking it off 1 per cent this year and another 1 per cent next year, the accumulated reduction of the deficit will hit $10 billion. What more could you want?

If foreign investors want to take their money out tell them: "Fine. Get out. Go. We will do it ourselves." We did it for six years financing a war effort, the likes of which many other countries were never able to accomplish in proportion. That is one of the key items. The government allows interest rates to go up increasing its own deficit, and then it expects us, after paying higher interest rates, to take the cut-backs that it proposes also.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to ask my hon. colleague a question that is not perhaps directly related to the budget but certainly is related to his deep interest in veterans affairs.

As a Korean veteran myself, I also would like to say that I notice most members in the House tend to refer to veterans as he and perhaps this is something where we should be a little more correct, too. I am sure there may be many service women who are interested in the points that he was raising.

As he was talking this afternoon, I was looking through some correspondence and happened to come across something from one of the senior members of the Korean Veterans Association. It is still very concerned that Korean veterans have not been properly recognized by the Government of Canada. I wonder if he would care to comment on that. I would be interested in any suggestions that he has.

Mr. Benjamin: Mr. Speaker, I take the admonition of my hon. colleague.

Ms. Mitchell: A friendly admonition.

Mr. Benjamin: A friendly admonition. She has given them to me almost weekly. I never meant anything by being forgetful and not mentioning that there were thousands of women who served loyally in the Second World War and the Korean War, between those wars and since.

• (1620)

It is true the veterans of the Korean War are still being short changed. There are a few others. I have tried for years to get the Government of Canada, since 1968, to recognize the veterans of the Mackenzie-Papineau Battalion of the Spanish Civil War. There is less than 200 of them left. They are all in their eighties. One of them, a good friend of mine in Regina, passed away a couple of months ago. He tried to get recognition for years.

Every response I got about them from every Minister of Veterans Affairs was: "Well they were soldiers of fortune." They did not get paid. They paid their own way over there. They were the first ones to fight the fascists. Most of them volunteered for the Canadian forces when the Second World War started, and we still do not recognize their contributions from 1936 to 1939.

Another group we still do not recognize is the merchant marine. We lost more merchant marine men than we did from the Royal Canadian Navy in the Battle of the Atlantic. I have had excuses from Ministers of Veterans Affairs *ad nauseam* that they were getting commercial pay. When we checked into that, their commercial pay was the same or less than what members of the Royal Canadian Navy were getting. The government still refuses to recognize them.

I say through you, Mr. Speaker, to my colleagues in the House on all sides it is about time again—and we have done it before in other instances—that we made up as well as we can for these errors of omission and commission. Let's once and for all recognize those merchant seamen, the veterans of the Spanish Civil War, and do

more for the veterans of the Korean War who are now almost to an age like me.

Miss Deborah Grey (Beaver River): Mr. Speaker, the Minister of Finance said in his recent budget: "to ensure a strong economic foundation for the future we are moving forward with the broad plan that we set out in November 1984". Unfortunately, Canadians are skeptical of the ability of the government to put its own financial house in order.

On the positive side, and we are pleased to announce on the positive side, that we in the Reform Party are glad to see that Petro–Canada is finally going to be privatized, but we also wonder why it has taken six years. Business should be involved in business, and government should be involved in government. While we are pleased to see Petro–Canada being sold, we wonder why the government is going to continue to burden this operation with the bureaucratic laws of a Crown corporation and not allow it to function like any private sector company should.

We are glad to see industrial and business subsidies being cut; we advocated this last year. Of course the Chamber of Commerce and business communities in Canada were asking for the same thing. However, we do wonder why the energy sector has been singled out.

We were also glad to hear the government borrow a line from our neighbours to the south and say: "Read my lips, no new taxes", to sell this budget. However, given this budget's substance, I believe this statement either to be irresponsible at very best, or insincere at the worse.

I note that unemployment insurance premiums will be up by 18 per cent over last year, supposedly without increasing taxes. Nor can we forget that not only did the government announce in December new surtaxes, it also has brought in Bill C–62, the new GST, which is waiting to become law before the next budget.

On the negative side, Mr. Speaker, I must tell you that the budget's bottom line is what I expected from the government. I expected a deficit around last year's projection of $28 billion, although it is still $500 million higher than even that. This budget makes the assumption that last year's course was correct. I contend it was not and still is not.

I certainly was amazed that defence was not reduced because of the events in eastern Europe. Bases in my riding were bracing themselves for cuts in light of what has been going on around the world. I certainly expected foreign aid to be reduced. There were no cuts there. Cuts in projected spending are not cuts in actual spending. It is ludicrous to suggest that a 5 per cent cut on growth is a spending cut. It simply is not.

After much talk about reductions and spending cuts, program spending will in fact increase by $3.1 billion after an increase of $5.5 billion last year. Of 29 departments, 22 had their budgets actually increased. Only 7 were reduced. If we look at what occurred in these 7 departments, we will see that the Secretary of State actually increased after the non–recurring payments to Japanese Canadians are removed. Agriculture fell, but as a result of last year's budget. Actually there are only 5 of the departments which show cuts and only 2 of those 5 will show substantial cuts.

We are disappointed that the evidence is that cries over cuts are merely a reallocation of funds within and between programs to make this seem like a tough budget. We see that the budget of the Office of the Co–ordinator of the Status of Women increased by 11 per cent, the Governor General's office increased by 13 per cent, the Senate is up by 8 per cent and general operations of the government are up by 15.8 per cent.

Again it is disappointing that in this budget there are no cuts to the cabinet, to ministerial office staffs, no cuts to limousines, no slashing of parliamentary travel budgets or MPs' perks and no cuts in middle management. Again we see in this budget, sadly, no example of restraint at the top levels.

I do say again, because I do remember that in December the President of the Treasury Board announced symbolic cuts, then they decided over a weekend not to save taxpayers' money or interest payments or to reduce the deficit, but rather to sell an unpopular tax that is to come in at 7 per cent because they knew it certainly could not sell at 9 per cent.

That is one of the problems with the government's attitude toward deficit reduction. It is a reaction to some outside force, not the result of an internal conviction. Over a weekend, they miraculously found $2 billion worth of cuts to sell the GST at 7 per cent. How many years had it cost us, the taxpayers, these $2 billion? How

much has it added to our debt? How much has it added to the interest payments this year alone? How much more is there to cut which they do not feel compelled to cut?

I will give you a fact, Mr. Speaker. For every $1 which this government could have cut in 1984 when it was voted in to do just that and continues to spend that $1 in 1990, the government has accumulated $8.58—$6 in principle and $2.58 in interest. It will add 85 cents in interest to this year's deficit, and these are all very conservative estimates.

If it did not cut that $1 again this year, it will cost Canadians at least $1 in interest next year and will have added $10 to the debt—10 times the original amount of that $1 in 1984.

This budget may not in itself include any new taxes, but it paves the way for future tax increases. This budget fails to tackle the seriousness of our deficit by eliminating non-essential spending now and their associated costs later.

That is why I believe this budget is insincere. It is the government's attempt to sell the GST once again, but this year's budget lays the groundwork for justifying raising the GST rate because spending is not cut enough.

The finance minister has been in the job for nearly six years. When he started the deficit was $38 billion. The fiscal year which we are now ending shows a deficit of $30.5 billion. Next year's forecast is for $28.5 billion. After seven years of Tory management, we will see our deficit reduced by less than $10 billion. Then suddenly, according to their projections, in four more years we are expected to believe that the deficit will be zero. Canadians can only believe the government for so long. The government can only say for so many years that the deficit will be zero in four years. To Canadians it seems as if tomorrow never comes.

If we look back to May 23, 1985, when the finance minister tabled his first budget, he predicted the deficit under several scenarios for the period ending with the 1990 fiscal year.

Under the finance minister's most optimistic scenario that he gave us for the economic growth over the first five years, the deficit would have dropped to $18 billion this year, not $28.5 billion. The growth in the economy was better than the period of his best scenario. While the economy grew by 20 per cent over this period, revenues grew even faster. Their share of the Gross Domestic Product outpaced the minister's projection from 16 per cent to 17.5 per cent. Despite all this extra revenue did the deficit go down? No. In fact, interest rates were usually lower than expected in most years. The fact is that spending increased. It did not fall as a percentage of the economy as expected. Spending is the true culprit. This government is the guilty party by not cutting spending enough since 1984.

• (1630)

Just because the government has vocal opposition in this House lobbyists outside the House, most of whom are paid by the government, are fighting every dollar cut, saying what has been done is too extreme. These comments do not mean that it is too extreme. There should be a national interest and a concern for our future economic stability, more future than just looking toward the next election.

It is a shame when only the finance minister and the Treasury Board see the deficit as a serious problem and the national concern it is. Other cabinet colleagues see themselves as advocates for special interests rather than national interests. Before this budget cabinet ministers threatened if a special interest were cut, and then announced victory when it was not cut. All the cabinet should be united in deficit reduction because it is a national concern. Otherwise, how do you expect Parliament and the country to be concerned with it?

That is why every major program for which there is a special interest in cabinet is preserved, even though we cannot afford it.

The government says reducing the deficit will help reduce inflationary pressures and along with them interest rates. I agree with this statement, but only as long as government spending and taxing is such that it is geared not to spend in inflationary areas.

I have asked for a regional breakdown of revenues and expenditure to demonstrate that the government's fiscal policies could help ease inflation. Otherwise, the use of monetary policy is the equivalent of the government throwing water on the whole country to put out a fire in the furnace it is itself stoking. The government will not provide a regional breakdown for me. Either it does not have it, which is highly unlikely, or it does not want to release it, which is far more likely. Government spending must be such that it helps reduce and not fuel inflation. Unless it provides a breakdown, Canadians are left

asking this question: What are they hiding from us as Canadians, is it incompetence or inequality for the regions?

Fairness does not mean spending the most on central Canada because all things gravitate to the centre of the universe where the most votes are, incidentally, in politics. The government steadfastly refuses to show us its spending to demonstrate that it is fair.

In this budget it has been estimated that approximately 40 per cent of the cuts directly affect Alberta. Albertans are not unwilling to make sacrifices. We all know that they sacrificed a great deal in the early 1980s under the National Energy Program. There are several areas where Alberta is being hit specifically. There is the public utilities income tax transfer, OSLO and CEIP. Under the NEP and the PGRT the energy sector did suffer. Now we are seeing it happen again. Albertans are feeling apprehensive about the Minister of the Environment's new environmental agenda. Will this slap a heavy hydrocarbon tax on Alberta? Albertans do want spending cuts, but Albertans want fairness in the cuts and equality of sacrifice right across the country.

British Columbians are asking why the *Polar 8* has been cancelled while none of the Canadian patrol frigates are being cancelled, especially the three subcontracted to central Canada.

Alas, neither does there seem to be any sense of fairness for the provinces selected for reductions in transfer payments. Apparently, the most fiscally responsible were selected for that. We did not see a sense of fairness four days before the budget, when no doubt the cuts had already been finalized, the minister surreptitiously agreed to voluntarily pay $90 million in payroll taxes to the Ontario government, a tax which costs the federal government $400 million annually in lost revenue. Why, in the name of fairness, did the government agree to this tax payment four days before the budget? How is this fair to Alberta and B.C., two other of the "have" provinces?

Not only do the cuts in transfer payments to the provinces raise the constitutional impropriety of the federal government legislating in areas of provincial jurisdiction, but the federal government, even with these reductions, continues to dictate standards without providing access to the tax base to finance the high standards demanded. Furthermore, passing the blame to the provinces simply does not solve the problem of tax increases at the provincial level or unnecessary federal government spending.

Let me deal with some of the fiscal uncertainty that this government has created by failing to reduce the deficit. It has affected interest rates and the value of the dollar. All products of the government need to borrow greater amounts for our debt. It is not the other way around. Furthermore, the government's inability to get the deficit under control has meant the competitiveness of our industry and the entrepreneurial capital of Canadians is being taxed away to pay foreign debtors and to upwardly distribute tax revenue to those Canadians who can most afford to lend money.

Since this government has been in office, the reliance on foreign debtors has more than doubled the original amount. As the government taxed more of Canadians' income and left them with less and less to reinvest in their own country, foreign capital had to substitute for the deficiency in the economy each year. To attract and pay for foreign capital, our competitiveness is hurt with the high dollar and high interest rates needed to attract these resources.

I see no recognition of this program in this budget, nor any attempt to deal with the very real problem of the government taxing away and spending away our international competitiveness to fund programs at the expense of our future competitiveness as a trading nation and our ability to compete under the free trade agreement. The finance minister stated that these are all powerful reasons for holding to the plan we started in 1984. They certainly are. But they do not explain why this government has deviated so far and long from its original plan which would have given us a deficit of $18 billion.

The government itself treats deficit reduction as a more partisan game than anyone else in this House. To its opponents it says: "You are fiscally irresponsible socialists", and then pats itself on the back and says: "Well, compared to the other guys, look what we've done". For myself, the Reform Party, many Canadians and, sadly, international observers in the financial mar-

kets are saying: "You were in office, not your opponents, and you have not done much".

The government's words and deeds on deficit reduction do not balance, so how could its budgets?

The government should have controlled our deficits so as not to leave a huge financial burden of debt to our future generations, but it did not. Under the transfer payment changes we see a dearth of research dollars. Young people, our human capital, will get the wrong signal that they are neither important to, nor supported by, government. Surely, developing brain power and technical specialists is the best long term deficit reducer for this country. No responsible government should want to leave a legacy of economic destruction and neglect to our posterity, just as no responsible government wants to leave a legacy of an environment ravaged by our neglect. The Reform Party believes strongly that both policy outlooks are inseparable for any party which sincerely believes in responsible government.

The government's sad refusal to acknowledge its lack of progress will not help to reduce deficits, nor will its protestations to calm international markets, nor will a litany of statistics created to disguise the facts. The instability of our dollar, rumours of downgrading our bond rating and high interest rates to finance the deficit are all signs of the lack of progress.

This government is responsible for the size of the deficit. It has been in office for six years. It cannot blame the size of the deficit and level of interest payments on the previous Liberal administrations of Pierre Trudeau, Sir Wilfrid Laurier, or whoever.

The Reform Party outlined in the 1988 election the cuts that should be made to get the deficit under control, all to unnecessary programs. However, sadly, these cuts are no longer sufficient. I regret to say that it has taken too long to tackle the issue of unnecessary spending. To control the deficit now will require cuts to programs that all Canadians need, not just want.

My party has been accused of wanting to cut medicare. Nothing could be farther from the truth. Yet we have seen this government cutting millions in health and post-secondary education. Soon the question will not be: What can we afford to cut? but, desperately: What can we afford to keep? That is the state that we are in. Health and post-secondary education are what we need to keep, not cut. Even under the finance minister's current projections, which are optimistic at best, interest payments will just level off. The projections after two years are in fact a fantasyland of projections, low future interest rates, low unemployment and high economic growth which this budget does little to build the fiscal foundations for.

This government is leading us to the brink of economic ruin proclaiming: "We have been doing a great job". But the international community knows otherwise, and Canadians know otherwise. All the signs are there for nervousness.

Earlier this afternoon the Minister of Consumer and Corporate Affairs said: "Canadians say, Cut, cut, cut, but don't cut in my backyard". We are at the point in Canada now where in my home province of Alberta people are saying: "We are willing, personally, to take cuts". Sadly enough, the cabinet ministers themselves are saying in reaction to the gathering storm clouds of economic warning: "It's all perception, the problems out there. I'll be hanged if you will cut spending on my particular program and I'll be hanged if I'll be hanged". Unfortunately, perception aside, reality lies in front of us. Reality lies ahead. This country will be hanged if they don't.

• (1640)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that must be the vaguest speech that has been made in this budget debate.

I was interested in the hon. member's references to sincerity. Of course the test of sincerity is whether she is prepared to back up her rhetoric with an indication of particular areas in which she will cut. She indicated that she did not think there had been cuts enough in agriculture. I wonder if she will tell us what programs in agriculture she thinks should be cut.

I would also be interested in her responding to this very simple question. Does she support the continuation of the OSLO project? Does she support the continuation of the *Polar 8*?

Miss Grey: Mr. Speaker, I have to say that I am certainly flattered to have a senior cabinet minister here to listen to my speech and to ask some very appropriate questions.

First, I will tell you, Mr. Speaker, and make it public to the House, that we issued a press release from my office last year saying what cuts we thought could be made. I also have to say that I received a personal phone call from staff of the senior minister. He certainly knows some areas in which the Reform Party and I personally have advocated cutting. I think that certainly is no surprise, and we could go on and on.

I have been accused of having simplistic answers to budget control. I know there are no easy answers to budget control. I am probably the only opposition member in this House who will give credit where credit is due to this government. I stand sometimes on a lonely road on this side of the House, but I certainly am willing to do that. That is positive. I am glad to give credit where credit is due.

We have had meetings both privately and publicly with people about the OSLO project. They are in the vein that it is unfortunate because the prices are so low now. The meetings we have had for people are saying: "We are very sorry that the government has to cut out on this, but if there is no confidence in the private sector then it simply will not work". Again, we are willing to say that unless oil prices come up again the government probably made the right decision.

What I did say about the *Polar 8* is that maybe there is no need for the *Polar 8* as the government thinks. What I was discussing was the apparent discrepancy for the people in B.C. They have had promises from senior cabinet ministers saying: "This will be done, we promise. Trust us". They are finding difficult the discrepancy between the *Polar 8* being scrapped and seeing other frigates still in continuation in eastern or central Canada.

Please remember that we are willing to give credit where credit is due.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I heard "maybe" and I heard "if". Is she in favour of OSLO, yes or no? Is she in favour of *Polar 8*, yes or no? What are the cuts in agriculture that she is proposing? We want a straight answer to a straight question, not "maybe", not "if".

Miss Grey: Mr. Speaker, people in the agricultural sector are saying "yes", not "if". They are saying: "Yes, we will be willing to take cuts if there are cuts unilaterally across the country and if there is equality of sacrifice".

Yes, *Polar 8* can be scrapped, but not just scrapped indiscriminately. This is what I am hearing from people.

This government simply needs to get back on its feet. We are in financial disaster in this country. I do not like to see *Polar 8* being cut. I do not like to see OSLO being cut.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I was interested to hear some of the comments from the member for Beaver River.

She talked about national interests and about special interests. The Reform Party is on record as advocating cuts to the bilingualism program. Does she consider that a special interest or a national interest?

Is she willing to recommend cuts, as has been advocated in the past, to multiculturalism and to race relations? Are those national interests or are those special interests?

Does she want to cut across the board, as some Reform members have suggested, which would mean 10 per cent or 20 per cent across the board, cut pensions, cut health care and so on.

The member was very interesting in her speech. She talked about singling out Alberta and then said: "We are willing to accept cuts in Alberta". She cannot have it both ways. Have we singled out Alberta or not? Are we willing or not to share the burden? Could she answer those questions for me?

Miss Grey: Mr. Speaker, I have just been accused of being vague. I have to say forgive me, but I was told by the hon. minister that I cannot answer questions. I simply have to confess that I did not even understand some of those questions.

We are talking about Alberta here. Albertans are willing to make sacrifices. We are talking about special interest versus national interest. My hon. friend would know that official bilingualism as it stands from this end is a national interest. Yet we see it simply does not work in practicality across the country. We see, unfortunately, many groups coming forward making statements such as: "We do not like this heavy-handed approach from on high".

I said quite clearly in my speech that the Reform Party is against health care being cut. What we are specifying

against universality is for instance in day care where we simply cannot afford it. We need to target these programs for people who need them.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I wonder if the hon. member for Beaver River would hearken back to the beginning of her speech when she criticized the government for only having substantial cuts in five departments. She then referred to further cuts being possible in agriculture. I wonder if she had included agriculture as one of those departments that has had substantial cuts given that in 1988–89 its Estimates gave it $3.2 billion. This year's Estimates give it $1.9 billion, which is a drop of $1.3 billion or a cut of 40 per cent.

Is agriculture one of the five that got substantial cuts, or is she looking for larger cuts than that to qualify as substantial?

Miss Grey: Mr. Speaker, I thank the hon. member for his question. What I did say in my speech, and I will read it again so that the hon. minister can understand it as well, is that the budget of the Secretary of State actually increased after the non-recurring payments to Japanese Canadians are removed. The Agriculture budget fell, but that was as a result of last year's budget and the drought assistance programs that happened.

That may clarify that for my hon. friend as well. The actual dollars went down in Agriculture because of the huge lump sum that was helping out those who were suffering from drought.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, as always the privilege is mine on behalf of my Nepean constituents to participate in debate here in the House of Commons on this particular occasion and of course on the budget.

During the House break this past week I had the opportunity to speak to many of my constituents and discuss the effects of the various budget measures being imposed by the present government.

Despite what the finance minister has relayed to the people of Canada, this budget is full of tax increases. This budget will relentlessly pursue a brutal and discriminatory high interest rate policy. It will widen the gap between the rich and poor. It will respectively end regional development in Canada as Canadians have known it. The fallacy of no new tax is the most blatant act of deception.

This government has lost the vision of this country, or maybe it has never realized what Canada is all about.

This budget indicates that the government has no sense of responsibility for the framework of Canada as we know it today.

Let us look at a few areas. First, the government has not made any significant moves to cut its own spending. Let us take a look at one area, the PMO.

When the Liberals left office in 1984 the cost of the PMO was $6 million and there were 104 person years of employment. Upon taking office the new Prime Minister increased the budget of the PMO by close to $1 million and added 16 more person years.

What is happening today in 1990? We tried to find out what the figures were today. Unfortunately, we are now not able to get a clear idea of how much the PMO has increased staff and spending this year because they have come up with another new accounting trick to hide the number of people on staff. The PMO has decided to eliminate all political staff from the accounting in the 1990–91 Estimates so that the person years of the PMO are listed as nil. This trickery is a blatant attempt to hide how much the PMO is costing Canadians and how many more people are now employed by the Prime Minister to figure out more ways to trick Canadians.

• (1650)

Federal funding for universities through transfers to the provinces, since 1983 has been cut by $8.9 billion. The 1990 budget cuts alone for health care and education are a reduction of $7.3 billion in payments to the provinces. Yet the minister has never consulted with anyone to determine the effects of these drastic measures.

Funding for post-secondary education should not be seen as an expenditure. Education is an investment, a necessary investment in Canada's future.

Has the government looked at the damaging effects the reduction in research and development funding will have? By passing the responsibility for funding and performing R and D to the private sector Canada runs the risk of jeopardizing long term scientific commitments.

Some $39 million is cut from planned science programs at a time when Canada desperately needs to be increasing science-based innovation to ensure our economic strength in the future.

The social housing budget in the next five years will be reduced by $165 million. This is at a time when the homeless in Canada number 200,000, or 1 per cent of our population. In addition, the GST will cause new house prices and renovated home costs to increase.

The most callous of budget cuts is to our veterans. How can the Minister of Veterans Affairs say, and I quote: "The budget will have a minor impact on veterans"? The long term care costs to Canada's veterans will be increased by $35 million. Does this government have any conscience at all?

Women's programs will be seriously affected. Budget cuts to core financing for 80 women's centres across the country will most likely see many of them close. Many of these service women in rural areas. These agencies act as referral centres for women on issues of friendship, native groups and battered women. They provide essential services to women at a time when violence is being recognized as one of the most pernicious forms of behaviour against women.

Cuts in social housing will affect women. The majority of poor women in this country are single mothers.

Once again, corporations get off easy in respect of the corporate income tax. In the 1990-91 fiscal year the federal government is expected to collect $2.4 billion less than predicted a year ago. Had the government collected what it expected from corporations, it would not have had to cut its expenditures by $2.8 billion this year in its budget.

Astonishingly, though, when the business sector is so adamant about deficit reduction, the minister has chosen to lighten the burden of corporate taxation since the Conservatives came into power. Whereas corporate taxes accounted for 13.2 per cent of total federal revenues in 1984 and 1985, in 1990-91 corporate taxes will account for only 10.4 per cent of federal revenues. Who is picking up the slack in between? It is being picked up by the low income and the middle-income person.

This projected trend is all the more difficult to comprehend, given that the corporate sector will be a major beneficiary of substituting the GST for the MST. Even assuming that removing the FST is fully passed forward to consumers, the corporate sector will still save some $6 billion in taxes on goods and services. Further, in 1991-92 manufacturers will be refunded more than $2 billion for the FST paid on inventories. Stage two of tax reform is very beneficial for the corporate sector.

One of the most incredible deficiencies in the budget is one that does not affect my ratepayers, but it does affect the national economy, in particular the Atlantic economy. There is no new money in the budget to address the fisheries crisis in Atlantic Canada. I say, shame on you on the government side of the House. This is a region of Canada that is so dependent on this industry.

Since this government came to power in 1984 unprecedented revenues—over $120 billion in six years—were realized through economic growth. Yet for a government which insists it is interested in deficit reduction, it certainly missed the opportunity to make meaningful reductions in the deficit during those years when we were experiencing world-wide economic growth. What did it do with this 70 per cent revenue growth? What was the $120 billion used for? We do not know, and the government is not telling. It certainly was not for deficit reduction.

Canadians across this country are fed up with this government and its practice of raising taxes—33 times in five years. Yet it has not reduced its own costs. Revenues can be raised by means other than a GST, Canadians are saying. Scrap the tax and let us get down to the basics of running this country, and running it the way it should be run.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I listened with great interest to the excellent speech made by my colleague. She certainly covered a lot of ground in a very short time. I commend her on the conciseness and the punch it contained in such a short time.

I want to comment on that part of her presentation in which she said that the most callous of all cuts were the cuts made to veterans. I find it singularly distracting and somewhat disappointing, if not incredible, that in discussing this in Question Period with the Minister of Veterans Affairs two days in as row the minister has said that there are no cuts. I am having a lot of trouble with that. Obviously, veterans organizations are as well because I, as the veterans affairs critic, am getting an awful lot of comment and reaction from one end of the country to the other. Veterans cannot understand how a minister

can say there are no cuts and on the other hand they are losing a total of $35 million.

I note in a book authored by the President of the Treasury Board entitled *Managing Government Expenditures* that it talks about savings of $8 million and $10 million in the period 1990–91 will be obtained under the Veterans Independence Program which is designed to keep the veterans at home so they do not have to go to hospitals. By restricting the range of services that are funded, this is how this $18 million will be saved.

I think the important thing to remember here is that the average of a Canadian veteran is 70. This cut-back on the Veterans Independence Program which involves heavy housekeeping is very important to them if the aim of the program is to be upheld.

I commend my colleague on her use of the term callous. I can only hope that the comments by my colleagues, other people on this side of the House and perhaps even some on the government side of the House about the callousness of this particular cut will make the Minister of Veterans Affairs see fit to go back either to the Prime Minister or to the Minister of Finance to see if he can make some amelioriation or some adjustment to restore this benefit that has been taken away from veterans. This is the first time since the Great Depression that anything has been taken from veterans.

Mrs. Gaffney: Mr. Speaker, I would like to thank my colleague and comment on his remarks. I think the old saying goes that if you repeat a story often enough you begin to believe that what you are saying is true. I am beginning to think that the minister responsible for veterans affairs has repeated to himself and to his colleagues often enough that there are no cuts to the veterans in this country that he himself is beginning to believe it. That is unfortunate because I know that there are cuts. Those veterans know that there are cuts.

I wonder how many people in this House of Commons have visited a veteran in a veterans' home in their area. The one here in Ottawa is called the Rideau Veterans' Home and is on Alta Vista Drive. I would invite you to go and visit a veteran and to see the accommodation for the ones who are in the home where we are increasing their charges in this home. Sure, less than $300 a month is paltry for the government. They think this is a minor inconvenience. But to those veterans who are living on a very limited pension it is a major expenditure for them. It is not so much for the ones who are living in the home, but the ones who are able to live in their own homes and are now going to lose their housekeeping funding money that was being provided to them before when they cannot get out and shovel their driveway, clean their windows or do the basic necessities that you and I can do because we are still able-bodied people. Again I say, shame on this government.

• (1700)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Cardigan.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I would like to take this opportunity to address some of the problems facing Prince Edward Island and, in particular, my riding of Cardigan.

My riding is predominantly rural, made up mostly of farmers, fishermen and small businessmen. Most of the employment in the area is seasonal, and as a result UIC benefits are extremely important. With so much seasonal employment in P.E.I., it is necessary to find a way to reduce our reliance on unemployment insurance. One program, the Atlantic Canada Opportunities Agency, known as ACOA, was established to create more long-term, stable employment. However, the 1989–1990 and the 1990–1991 budgets have done much to reduce the effectiveness of this program.

Last year the budget of the Minister of Finance cut a large chunk out of the ACOA budget. And if that was not bad enough, this year all grants for the program have been completely eliminated. This, in effect, has reduced ACOA to a simple bank, nothing more. The purpose of ACOA was to attract business through incentives. Now that these incentives no longer exist, business interest in the program is on a decline, dramatically.

Prior to the budget, the government promised aid to the Atlantic fishery in this, its time of crisis. Many references were made to the need for substantial aid to the area, the same as was given to the western grain growers. However, as we now know, the budget contained nothing for the fisheries industry. This gives a clear and unequivocal signal to Atlantic Canadians that the Prime Minister and the government he leads do not consider the fisheries crisis a priority. Otherwise, the

government would have acted as quickly as it did in the western grain crisis.

Within the next six months, the P.E.I. fishery could find itself in a crisis situation, just like that occurring in Newfoundland and Nova Scotia. The recent U.S. legislation restricting lobsters under 3.25 inches will cause irreparable damage to the island fishery and economy. This legislation will affect 80 per cent of our lobster exports to the U.S. market. The impact is enormous, considering the lobster industry employs 10 per cent of my province's labour force. It represents 80 per cent of the Island fishery and accounts for 25 per cent of the Island's exports. In essence, the province's second largest industry is on the verge of collapse, should negotiations to repeal the law be unsuccessful.

The problems in the fishery on the Island do not stop there. Nearly every month I receive letters from local fishermen alerting me that yet another wharf or harbour is badly in need of upgrading or repairs. These small craft harbours are vital to the long-term viability of the Island fishery and, therefore, must remain, at a minimum, operable.

It has been noted by many industry officials that the current small craft harbour budget is ridiculously insufficient to meet the current needs. The recent budget cut of $4 million to this program illustrates this government's failure to recognize the gravity of this very serious situation.

Several years ago my riding of Cardigan was held by the Hon. Dan MacDonald, an outstanding Canadian war veteran who lost both an arm and a leg defending Canada in World War II. He represented Cardigan and Prince Edward Island with great distinction. With Dan as Minister of Veterans Affairs, the department developed a more human touch because he was aware of the veterans' needs, for he also was a veteran.

It is very sad to see the damage that six years of Tory government can bring. More than 5,000 aging veterans, who by illness or injury are confined to chronic care hospitals will now have to pay more than $3,000 each for their beds. This is a slap in the face to all veterans across Canada. This government has clearly lost all semblance of humanity, the most recent example being the regrettable action against our war veterans. Veterans should be treasured, not destroyed, most Canadians would surely agree with me on this point.

During the last six years, the government has not dealt sufficiently with the question of post-secondary education. Recently the government has stressed that the need for an educated labour force and better training. Therefore, WOUld it not make more sense to provide these institutions which train and educate, with more financial assistance to meet these goals? Instead of increasing financing to post-secondary institutions, the government saw fit to cut the Established Programs Financing.

In effect, this will force students in Prince Edward Island's only university and only college to pay more for their education. Prince Edward Island is in a depressed region, and currently over 75 per cent of all Island university students must take out loans to support their education. The budget will certainly make this figure rise. In light of this, this government's commitment to education and training is certainly in shambles.

The cuts to Established Programs Financing will also affect the ability of the health care system to perform at its present level. To maintain its present level of service in the health field, the provincial government must increase taxes. This would certainly seem to contradict the minister's statement of "no new taxes".

The flip side of this is that if taxes are not increased, then the level of service must be reduced. Could this be the beginning of harmonizing our Canadian and American health systems, to put Canadians on the same level as the American health system? The people of Cardigan certainly hope not. We know, and the government knows, that Islanders and all Canadians will not permit this attack on our medical system.

I would like to turn my attention to the Prince Edward Island tourist industry. Each year Prince Edward Island attracts 800,000 visitors. They come to watch *Anne of Green Gables* and other performances at Confederation Centre of the Arts. They come to see the beautiful scenery and historic buildings such as Province House known as the birthplace of Canada. Of course, visitors come to enjoy beautiful beaches, excellent seafood and our fine P.E.I. potatoes. Our tourist industry could take a severe plunge in fortunes, beginning this year, when the

tourist season goes through its first year with the devastating VIA Rail cuts in effect.

Also, it has been predicted that nationally, 30,000 jobs will be lost as a result of the government's infamous GST. In Atlantic Canada, with about 10 per cent of Canada's population, that translates to about 3,000 jobs. The Tourist Industry Association of Prince Edward Island has formally denounced the GST as being potentially disastrous for the industry in Atlantic Canada.

The GST will do two things for certain. It will increase taxes, and it will cause the loss of thousands of jobs, not only in Cardigan, not only in Prince Edward Island but all across Canada. This is something of which the government should surely be ashamed.

Finally, I wish to thank you for the time to express, through me, the views of the people of Cardigan of this budget.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would like to thank my hon. colleague for his comments.

I want to review with him a number of the difficulties that his province has experienced. Perhaps he could tell me which one has had the most disastrous effect on this small Island.

The closing of the military, of course, was one that has caused great anxiety among the people of Prince Edward Island.

• (1710)

He referred not only to the current fishing difficulties, but those that he anticipates. He also made reference to the budgetary implications, the reductions for the veterans and how badly we and many other Canadians feel that they have been mistreated. He also referred to health reductions that will have an impact upon the elderly and those who are not well, as well as the reductions in education which will have an impact upon our young people who are seeking to build a better future for themselves, the province and country.

I have also been told that these reductions are now having some negative effects upon the elementary and secondary sectors, particularly of small provinces, because they do not have the funds to try to keep the health and post-secondary infrastructures that are already in place.

Finally, the hon. member mentioned tourism and the impact the goods and services tax will have on that, quite apart from the increased taxation that will result because of the reductions to health and education. I would ask him to comment on those measures he believes have had the most disastrous and negative effect on the people of his constituency of Cardigan, or on the province itself?

Mr. MacAulay: Mr. Speaker, I would think that probably what would have the most devastating effect in my area is if this law passed by the U.S. is allowed to remain in place. If we cannot get this law that restricts lobster under 3-1/4 inches from entering the U.S. market, it will be disastrous for the fishermen in Cardigan.

There is no question that the reduction of funds to health and education and the loss of our military base have removed dollars from Prince Edward Island and the Island economy, but with this this move in fisheries, it will be totally devastating to our fishing industry.

There are many other problems, of course. With cuts to small craft harbours, we now have many harbours all around the Cardigan that is desperately in need to repair. But if we cannot sell the fish, it will be a disastrous decision, so we hope to God the free trade panel will do some good.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Winnipeg South.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to rise today to endorse the over-all thrust of this budget. It is a responsible budget. It is a sensitive budget, and it is a budget that is geared to the realities of today and Canada's position in a competitive global market-place. It is a budget that seeks intelligent compromise and balance between sound money management and the demands of a society which

has learned the addictive art of constant gratification. This is a budget that imposes restraint but it is not a budget that bruises or punishes.

Some hon. members opposite will disagree. Lacking real targets for criticism, they will seek shadowy targets, bogeymen with which to frighten the public. But this budget contains no bogeymen. Even so, we heard a moment ago and we will continue to hear impassioned speeches about how the federal government has transferred its problems on to the backs of the provinces.

Some will complain that the provinces will be forced to cope by cutting, spending or by raising taxes. No doubt, that is true. No matter how you slice it, every dollar that we spend as governments, whether we are the federal government or the provincial government or the municipal government, comes out of the very same pocket, yours and mine and the fellow across the way.

But worse, and in my opinion far worse, is that every dollar that we spend beyond our ability to pay comes out of those same pockets, but not just on what we have earned today but on what we will earn tomorrow and what our children will earn and, if we keep it up at the same pace, what our grandchildren will earn.

There is no magic bottomless pitcher here spewing forth money in an endless stream. There is only you, me and these hon. members across the way, and what we can produce from the sweat of our labours. Whether it is the federal government, provincial government or the municipal government, we all have an equal responsibility to curb spending and manage the taxpayers' dollar more efficiently.

To suggest somehow that the movement of the tax burden from one level of government to the other will somehow affect the bottom line, what you and I pay as individuals and as taxpayers, is sheer nonsense. No matter who spends, no matter what level of government spends, the same guys pay, you and I and the fellow next door.

Currently, 35 cents out of every federal dollar that the federal government collects goes to service the debt. Only 12 cents of the provincial tax dollar goes for the same purpose. Does it make sense for Canada to borrow even more money to pass on to the provinces? Is that not just a shell game, like we have heard? Does the freeze on the established funding program not simply expose that shell game? The expenditure reductions announced in this budget are absolutely vital to Canada's future.

Let us just take a look at our country from a broader point of view for the moment. Those of us who have done business abroad or who have travelled abroad have come to realize that Canada has been living in a dream world for the past couple of decades. We have lost touch with that stark reality of life that is there for most of the world's population. That reality is that you have to work for what you get and you cannot live forever beyond your ability to produce. Sometime, someone has to pay the piper and that time is now.

We are indeed a rich nation, richer beyond the wildest dreams of many, but even Canada cannot afford to spend without regard for the future because we must ultimately pay for that kind of philosophy, and to do so we are forced to rely on other countries, countries who manage their resources more successfully than we do.

Let us just ask ourselves why these countries are prepared to lend us their savings. Is it because we are nice guys, because we are good people? I am afraid not. There are simple economic reasons. Foreign lenders give us money to cover our profligate spending because they can make money on their investment. It costs us plenty to borrow. The cost of this borrowing robs us of our ability to pay for the things that will add to our wealth, that will enhance our competitive position tomorrow. That is the position that we have lost through the tremendous tax burden that we place on our citizens and on our business community.

Mr. Speaker, do not believe for a moment that even these money markets are willing to fund us indefinitely. In fact, insecurity about Canada's economy has prompted comment from the international monetary people in the past. The message is straightforward and clear cut: Get your fiscal house in order; stop spending beyond your means.

What does that mean to us? It means that if we refuse to listen, if we fail to take exactly the kind of measures that have been announced here in this House on February 20 by the Minister of Finance, then we can expect continued pressure on our interest rates, we can expect an erosion of confidence in Canada as a good place to invest. We can expect a reduction of confidence in Canada as a mature responsible nation which has

earned a right at the decision-making tables when international affairs are being discussed.

Today no country can afford to live in isolation. What we do, even in our internal affairs will have an international impact. That in turn will impact upon us. We must learn to co-exist in a market driven society prepared to respond to the subtle checks and balances that are a natural part of that system. We must have the flexibility as well to respond to international conditions as they shift and change, as they are shifting and changing even now. But a country so deeply in debt that more than one-third of its tax revenue goes into servicing this debt, cannot have this flexibility and the freedom to do these things. A country that has mortgaged its future cannot possibly be in total control of that future.

Mr. Speaker, is that the kind of country that Canadians want? I think not. We pride ourselves on being in command of our future and some claim indeed that the 21st century belongs to Canada. But that is difficult to believe when it looks like we could enter the 21st century in hock up to our necks.

In fact, unless we take hold, unless we take strong, fearless measures to reduce our debt we could enter that century bankrupt. A nation's strength and autonomy is based on its wealth. Without financial resources a country is weak and vulnerable, defenceless against foreign incursions of all kinds. Being broke is one thing, being heavily in debt is quite another, because when you are in debt your vulnerability becomes public property. Everybody knows that you are in trouble. But some will argue that Canada has always been in debt. We built our nation on the debt incurred to build the railway, they will say. But I say there is a vast difference between a fledgling nation borrowing to build its infrastructure and a mature country borrowing because it cannot manage its vast resources and live within its means.

• (1720)

We hear a great deal about our social programs and every move toward sensible money management is held up as a deadly threat toward these programs. Let us examine the issue in the clear pure light of reason. First of all, why do we have social programs? Well, the answer is simple. Social programs are a natural emanation of an enlightened society's will to deal with an innate fact, the innate fact of inequality. Our social order compels us to provide sustenance and assistance to members of the group who cannot temporarily or permanently provide for themselves. I do not think many people would disagree with this basic philosophy.

Where the quarrel begins is over when this assistance should actually kick in. Should we be giving social assistance to the middle class? When I was a young girl, taking any form of social assistance was something to be avoided at all costs. Today it seems that things are different. We have taken the basic premise of social assistance to a point that it is not only potentially harmful but is also beyond what we can afford to support in many cases. We have done this in the mistaken belief that there is some unlimited source of income to be tapped for this.

Well, there is not. The government's only source of income is you and me. It is not true that you can tax the corporations, tax the rich, tax the tax avoiders, and somehow suddenly solve the fiscal shortfall. Indeed, Canada has already taxed corporations to a level that is bordering on the uncompetitive, and to increase the pressure simply forces companies, Canadian companies along with others, to move their assets elsewhere.

Some members opposite will not like to hear this but business is in fact our only source of wealth in the kind of society that we have in place today, and business is highly mobile. If conditions in a certain jurisdiction are unbalanced, unfavourable, business simply picks up and moves on and so does personal wealth.

Look at what has been happening in China and in Hong Kong. Ever since it became clear that the People's Republic of China would take over Hong Kong in 1997, large corporations and the wealthy have been quietly hedging their bets, setting up conduits through which they can move their capital quickly and efficiently if things get tough. Well, much of that money has already moved to Canada because Canada has been seen as a stable economy under a not-too-restrictive government with a reasonable monetary policy. But all we have to do is tighten the screws on that policy through heavier regulation and taxation and just watch that capital leave the country seeking a more favourable climate.

So tax the rich, tax the corporations more, tax the tax avoiders if you can catch them—the net is so tight in Canada right now that very little escapes. In the end what do you have for this exercise? Ultimately, probably less than you have today because you have driven the wealth producers out of the country.

The answer is balance. We must accept that there are some things that we cannot afford. We must accept that there is a need to better manage the resources that we have. We must accept that a balance has to be struck, and in fact balance is what the minister has sought and has achieved in his monetary policy since 1984. Balance is what I believe the minister has achieved in this budget.

Let us look at the budget for a moment. What does it really do? Well, for one thing it does not raise taxes and that is very good news for a citizenry that has been feeling squeezed by several levels of government. So no new taxes. No additional taxes is another step in my opinion in freeing up choices for Canadians. The goods and services tax which replaces a pernicious tax on manufactured goods is the first step in that exercise.

Next, the budget reduces spending through programs of restraint across the board. Social programs are not affected and in fact services have received actual dollar increases.

The Opposition has zeroed in on the transfers to provinces. Opposition members claim that the freeze on the Established Programs Funding will somehow lead to the total collapse of the Canadian education and health systems. Both are matters of provincial jurisdiction so that takes quite a leap in logic.

Provinces will not get less than they get right now. In fact, the have-not provinces like those in the Atlantic region or Manitoba will continue to receive dollar increases in line with the growth in the economy over the next two years through the equalization transfers. It should also be noted that since 1977 provinces have made their own decisions over how their established programs funding is spent. I repeat, provinces can use their EPF transfers which were originally earmarked for health and post-secondary education in any way they see fit. If health care and post-secondary education in Canada are suffering, perhaps provincial governments would like to examine their own spending priorities or reorganize the way they manage their budgets.

What else is in this budget? More good news. Grants to businesses will be reduced and replaced by repayable loans. Businesses themselves have been suggesting this, and why? Well, because grants and subsidies distort the market-place and contribute to a dependent, non self-sustaining commercial infrastructure that undermines the integrity of our economy. The government is getting out of business. This is excellent news.

Significantly, Petro-Canada will be sold, transferring state control to the hands of the public and repeating the remarkable success story of the Air Canada sale. It is right to sell Petro-Canada to Canadians as individuals. It is wrong for the state to control such an important conglomerate and to acquire its control through the use of tax dollars. State-owned, state-controlled businesses present an element of unfair competition to natural enterprise. They tend also to be inefficient, or dictatorial or both because they do not have to depend on the vagaries of the market-place and respond.

Since its incorporation in 1975, Petro-Canada has grown into a multi-faceted giant whose tentacles extend into many areas that are generally very well served by the private sector. So it is time to return the assets of Petro-Canada to the people who, as individuals with market-driven incentives, will manage those assets far better than can government. In addition, funds raised through the sale of shares can assist the newly emerging, commercially-owned Canadian company to capitalize purchases to keep it appropriately competitive with international interests.

The government is also selling Telesat Canada and winding up the affairs of a number of other Crown corporations that have outlived their usefulness or their original purpose.

The government has also addressed its spending right here at home. Today the civil service is at the same manpower level it was at in 1973 and wage restraint continues to be the order of day with federal public sector increases running at about 3.5 per cent, well below the cost of living. The government has closed tax loopholes.

The government continues to wage war on waste and redundancies. Since 1987-88, the government has been running an operating surplus which now stands at $9 billion. This is a clear indication that the fiscal policies of

the Minister of Finance are working. Whether my hon. opponent likes to admit it or not, they are working.

I have to conclude by saying that this budget is a prudent budget and it is a sensitive budget. It recognizes Canada's conceits and respects them, but it is a budget that nurtures the disadvantaged while spurring on the strong and the enterprising. The hon. minister has done a wonderful job in trodding a delicate line toward a goal of a stronger Canada. I commend his efforts and I applaud his courage. He has done what is right over what is expedient.

• (1730)

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I would like to draw to the member's attention a couple of things she certainly has not talked about. In my community of Surrey North, which is the fastest-growing community in Canada, there are problems. One of them is housing and the affordability of it. I would like her to set out for me clearly what things in this budget are going to help the affordability of housing. What things are going to bring down the interest rate by 5 or 6 per cent, which is necessary to get housing under control?

What about the fact that the social housing program has been totally gutted? CMHC has now been turned into an agency that is nothing more than an insurance broker for the private sector. The Conservatives have totally abandoned any concept of affordability in housing, any concept that the country has a responsibility to provide housing for people on middle or low incomes. They are simply concerned about making sure that those friends of theirs who wish to flip property for massive profits are able to do so.

Second, she says there is no harm in this budget. In my municipality we have a 400-bed shortage in hospitals. Some of the existing beds are not being opened simply because there are not enough operating funds. Since 1971 we have gone backwards in terms of the ratio of hospital beds to population. The provincial government is not, with a cutback from the federal government, going to increase its funding. It is having enough difficulty maintaining its funding. It is simply not going to come up with the additional dollars. It is a federal government responsibility to ensure that there is universal health care in this country.

I would like her to comment on those two things. What are the positives in this budget to assist families, first-time home buyers to obtain affordable housing? Second, try to explain to me and to the people of British Columbia why this is not going to be a blow to our serious health care crisis in the province.

Mrs. Dobbie: Mr. Speaker, I thank the hon. member for his multi-faceted question. First of all, the tone of his question suggests that he believes in that myth that I was speaking about earlier, that somehow money grows on trees, that if you take the dollar that we collect as a tax collector, by splitting it into three pieces like many fishes, you can make it grow into something beyond what it is.

In fact, it makes no difference whether the dollar is coming from the federal government or the provincial government or the municipal government, it is all coming from you. When you ask what the government has done to do this, that and the other thing to assist this person and that person, the fact is we are taking the dollars out of your pocket and we are cutting them up as governments and telling you how your dollars should be spent. The hon. member may feel that that is appropriate where he comes from, but there are many Canadians who not only do not feel it is appropriate, they simply cannot afford to have it done anymore. When 50 or 60 cents of your wages come out of your pocket and go into taxes you have to have some concerns.

Second, the hon. member asked about housing. He says that the government has abandoned a lot of programs that had to do with assisting first-time home buyers and so on. He is quite correct in that. The government is abandoning a number of assistance programs for middle-class people under the expectation that Canadians are strong enough, that they are confident enough and that they have the ability to fend for themselves, just as they did when I was a girl growing up. They have just stopped learning to do that in the last couple of decades when a philosophy prevailed in this country that somehow you could get something for nothing.

You cannot get something for nothing in this world. You can only put off paying what you owe today until tomorrow. The hon. member is suggesting that somehow we should put off until tomorrow paying what we owe today, what we owe for yesterday and what we owe for

the day before because somebody else did a lot of profligate spending. Already our children are in debt up to their necks because of that kind of philosophy. If we keep it up our grandchildren will be in debt up to their necks and there will not be a country called Canada because we will not have the strength, the ability or the resources to be able to command our own future.

I would suggest that if it is true, as the hon. member says, that there are people waiting in line for hospital beds in his province of British Columbia, perhaps the provincial government should take a look at how those hospital beds are being funded and find more creative and more productive ways of seeing that the health needs of the population are met. Clearly, the way governments are doing it right now and the way governments have been doing it for the last little while, has not been working. We are spending more and the services are getting less. There must be another alternative. I do not think the reasonable alternative is to take taxpayers' dollars and turn them over to bureaucracy and suppose that all our problems are going to be magically solved.

The Acting Speaker (Mr. Paproski): A short supplementary, the hon. member for Surrey North.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the member says that people should be able to look after themselves with regard to housing. How does a young family earning $35,000 buy a house in metropolitan Toronto or metropolitan Vancouver? The member is worried about give-aways. Why did she vote last week to give away another $400 million in RRSP contributions to people earning over $50,000 a year? The total budget cost to this government is now $11 billion in RRSP give-aways to the rich. How do you justify that to the single-parent families trying to buy a house? What they have done is they have taken money from the poor and given it to the rich. That is the Tory philosophy.

Mrs. Dobbie: Mr. Speaker, the hon. member should listen to what he just said. He suggested that somehow we are taking from the poor and giving to the rich. I am not sure how he works that out. If the poor are as poor as we are being told they are, they do not have anything to give. In fact, that is not the way it works. The way it works is that the resources we have are generated by the business people, the people who this hon. member would like to see driven out of town on a rail. If we do that, we will not have any resources. You cannot take from the poor to give to the rich. The poor have no resources. It is a silly question.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have been in the House for most of the day. To say that some of the speeches I have heard today are incredible is putting it mildly. The speech of the hon. member for Winnipeg South Centre, the parliamentary secretary, is a case in point. I could go into that in detail, but there was another one that was even more unbelievable, and that was made by the Minister of Supply and Services earlier today.

I would like to deal with some of the points he raised in his attempts to defend this disastrous budget that the Minister of Finance has imposed on Canadians. He had the gall, and I can only describe it as unmitigated gall, to try to compare the Government of Canada with the Government of Ontario. He tried to do it in a way that suggested that the Government of Ontario was the one that looked bad, not the Government of Canada. It was, as I say, an unbelievable speech. I thought that he displayed a certain riskiness in making this comparison. I would like to draw on that comparison in a way that is perhaps less favourable than the minister intended.

First, he suggested that the Government of Ontario was somehow less responsible fiscally than the Government of Canada. He suggested that because government spending had increased at a slightly faster rate than this government's had, therefore, somehow it was less responsible.

It is hard to imagine that coming from the minister who, of course, was using figures that could only be described as suspect. He did what the Minister of Finance has done repeatedly in this budget. He draws on figures that show increases in program spending only, not over-all government spending. They somehow think that program spending is different from over-all government spending. Everyone knows that is not so. If the government is short of money at the end of the year, it has to borrow. We have a borrowing bill before this House now. If the government is short of money, it is going to borrow the money and it does not matter whether it was program spending or whether it was to pay interest on the public debt. The fact is the money has to be borrowed from somewhere. This government, with its profligate ways, has run up the national debt in this

country to heights unknown before, absolutely astronomical heights.

• (1740)

We sit here and listen to speeches from members on the Conservative side. It sounds as though each speech has been written by officials in the Department of Finance because they all beat the same drum, they all say the same thing over and over and it is silly nonsense. They cite all the deficit figures for the years up to 1984, and then they stop. Why do they stop? They stop because they are so ashamed and embarrassed of the disgraceful record of this government. I see the minister shaking his head. He knows I am right.

Anyway, to go back to the Minister of Supply and Services, he said that the Ontario government had grown excessively while the federal government had cut back. Well, there is a good reason why there has been growth in Toronto in the Ontario government. Ontario has a Liberal government. It has a government with a heart. It does not have a brick for a heart, or a heart of stone. It believes in helping the people that it was elected to serve. It cares for its people. Instead of throwing them out of work, it creates jobs and it is creating them in the Ontario civil service.

Second, Ontario had a budgetary surplus this year. The ministers forget that. This was not a case of a mismanaged economy like this one. The Ontario government generated a surplus this year because it has managed its affairs so prudently. That is the result.

Here we have a record deficit of $30 billion for the fourth year in a row under the Conservatives. It was higher before that. Yet they have predicted $28 billion for four years. They have been wrong every time and the minister will be wrong again this year. Watch it. He will be wrong again, he will be low, and he will be wrong next year.

In 1985 he told us that the deficit this year would be $15 billion. What is it? Double that. How wrong can you be? The man must be mad or something. He has no comprehension of figures. The Treasurer of Ontario knows what he is talking about. He predicted a small deficit. He got a small surplus. That is what you call prudent fiscal management and I wish that the Minister of Finance would go to Toronto and take some lessons. He needs them.

I want to point out that the surplus of the Ontario government is not on operations; it is over all. It is after paying the interest on the debt of the province of Ontario. This government keeps talking about its operating surplus. That is hogwash. This government has a huge debt, $30 billion of deficit this year, and it keeps talking about an operating surplus. What a lot of poppycock. You do not hear that sort of talk in the Ontario legislature. When they talk about a surplus they talk about a surplus, and they mean surplus, they do not mean this phoney operating surplus that this Minister of Finance spouts about in his budget speeches and illustrates with tables and graphs.

Ontario has a treasurer who knows what he is doing and I suggest that the facts indicate clearly that this government has a Minister of Finance who does not have a clue what he is doing. He is wrong on every prediction he makes. He is wrong on every estimate he has made in every single budget he has introduced. All his figures on interest have been wrong. All his figures on the national debt in every year have been incorrect and every projection he has made for every other year has been wrong.

Mrs. Dobbie: You keep saying the figures are wrong. What are the figures?

Mr. Milliken: I will tell you again. If the member had been here two minutes ago she would have heard me say what the figures were. In 1985 this same Minister of Finance predicted that the national deficit for this year would be $15 billion. It is $30 billion, double what he predicted. What a disaster. I wish the hon. member had been here for the preceding four years to try to help him out. She might have straightened him out, but it might have been the wrong way.

The government of Ontario has been saddled with additional programs because of the cutbacks that have been announced by this government over five years of mismanagement so it has had to hire more people to do the work. This government says it has laid off 11,000 civil servants. The government of Ontario has hired 7,000, according to the Minister of Supply and Services. This government has cut back services to its citizens; the province of Ontario has enhanced its services.

What a comparison the Minister of Supply and Services dares to make. And he is a member from Ontario. He must be delighted he lives in a province that is so well managed compared with the way the Government of Canada is mismanaged by the Minister of Finance.

The Acting Speaker (Mr. Paproski): I regret I have to interrupt the hon. member.

It being 5.45 p.m., it is my duty, pursuant to Standing Order 84(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment which was negatived on the following division:

(*Division No. 196*)

YEAS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Blaikie
Brewin
Campbell (South West Nova)
Crawford
Dingwall
Duhamel
Ferguson
Fontana
Funk
Gagliano
Gray (Windsor West)
Harb
Heap
Hovdebo
Keyes
Althouse
Assad
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Blackburn (Brant)
Blondin
Butland
Comuzzi
de Jong
Dionne
Edmonston
Flis
Fulton
Gaffney
Gauthier
Grey (Beaver River)
Harvard
Hopkins
Karpoff
Kilger
(Stormont—Dundas)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
MacWilliam
McCurdy
Mifflin
Mitchell
Ouellet
Pickard
Prud'homme
Robichaud
Samson
Stewart
Volpe
Young (Gloucester)—74
Kristiansen
Langdon (Essex—Windsor)
Lee
MacDonald (Dartmouth)
MacLellan
Marchi
McLaughlin
Milliken
Nault
Peterson
Proud
Rideout
Rodriguez
Speller
Stupich
Wood

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Bjornson
Blais
Bosley
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Collins
Cooper
Côté
Danis
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gibeau
Guilbault
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
Jelinek
Kempling
Langlois
Leblanc (Longueuil)
Littlechild
Lopez
Malone
Martin (Lincoln)
Mazankowski
McKnight
Merrithew
Moore
Oberle
Plamondon
Porter
Reid
Ricard
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Andre
Attewell
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Cole
Cook
Corbett
Couture
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hawkes
Hogue
Horner
Hudon
Jacques
Johnson
Koury
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
Marin
Mayer
McDermid
McLean
Monteith
Nicholson
O'Kurley
Plourde
Redway
Reimer
Richardson
St-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker

Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van de Walle	Venne
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—130	

Mr. Speaker: I declare the amendment lost.

It being 6.17 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.17 p.m.

HOUSE OF COMMONS

Wednesday, March 7, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ETHIOPIA

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, as most members of the House know, Ethiopia is again close to facing another brutal famine. Already people are dying by the hundreds, and it is anticipated people will die by the thousands.

We are pleased to hear that Canada has agreed to provide additional moneys for food aid, but time is running out and the food is not yet reaching those in need. The international press reports of desperate conditions and significant change in the Ethiopian situation. Many people wonder how many years of famine are going to continue in Ethiopia before the situation changes.

At this time the solution is not only that of food aid, but that of politics. The Government of Canada must offer its good offices and reputation to help the people of Ethiopia come to terms with the fact that the country is no longer governed as it was in the first famine. The government has lost legitimacy and the rebels in the two provinces are now significant actors. It will take not only food aid but a major role in the Security Council and other international institutions for Canada to help with a solution.

We plead with the government to take a more active role in helping the people of Ethiopia and encouraging the international community to get more involved.

PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, an Environics poll carried out for the Department of Transport shows that people living in the greater Toronto area are two to one in favour of adding additional runways at Pearson International Airport.

This is in opposition to the poll I carried out in my riding last summer which showed that residents directly affected by the airport are almost two to one against expansion.

Out of 2,168 people polled, almost double the number polled by Environics, 37.4 per cent were in favour, 2 per cent were undecided, and 60.6 per cent were against.

I believe the apparent discrepancy in these two surveys can be attributed to the fact that those people polled by Environics are not people who live within the same proximity to the airport as the residents of my own riding of Brampton—Malton.

If we are to determine the effects of expansion on surrounding communities then we must ask those people who will be profoundly affected by expansion. Distortion of this important fact is not acceptable.

* * *

NICARAGUA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, last week's election in Nicaragua was a democratic event that owes its existence to the Sandinista revolution. We can be assured that, had the American backed Somoza never been overthrown, democracy would still be a stranger to Nicaragua. So would literacy, community health care, land reform and the absence of death squads, to name a few of the benefits brought on by the Sandinistas.

Nevertheless, the people of Nicaragua cried uncle under the combined burden of the trade embargo, mistakes made by the Sandinistas themselves, and the prospect of continued war with the Contras, given the

widespread expectation that Washington would not have been as gracious as Ortega if its side had lost the election.

We must hope now that Mrs. Chamorro and Daniel Ortega will be able to build an understanding based on their once mutually shared abhorrence of pre-revolutionary Nicaragua. There can be no return to those days. Essential to preventing this is the total and immediate disbanding of the Contras, something that only Washington can ensure by cutting off the Contra support and in doing so showing its respect for the views of both Chamorro and Ortega.

This having been done, negotiations about the army in Nicaragua and other issues could proceed. In the meantime, the Canadian government should continue to keep Nicaragua an important country in its development aid programs and urge President Bush to do the right thing.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I welcome this opportunity to report to the House that the Town Council of Outremont has made its position clear on the language question. The resolution passed at the public meeting on March 5 this year sets forth the town's present policy and its intention to continue to provide services in English, as necessary and appropriate, to its English-speaking minority.

I may add that the resolution passed by the council is practically identical to a resolution passed in English by the Municipal Council of Elliot Lake.

I join the Mayor of the Town of Outremont in expressing the wish that the resolution will be well received by the community in general and its individual members. This resolution demonstrates, above all that economic excuses often hide serious psycho-social deficiencies with respect to human values. Bigotry and racism all too often go hand in hand.

• (1410)

[*English*]

LOW LEVEL FLIGHTS

Mr. Bob Wood (Nipissing): Mr. Speaker, I rise today to express my concern over the fiasco of low level flights in Labrador.

As associate critic for northern affairs, it is my position that we should be striving for a responsible development of our northern regions. However, this government has failed to consult Innu and Inuit Canadians properly before taking this decision to bid for a NATO training base and increase the number of low level flights in the region.

The present government seems to be falling into the habit of creating commissions to study the impact of its decisions after the fact. It did this with VIA Rail as well as with the environmental assessment of low level flights in Labrador. These actions epitomize the classic syndrome of putting the cart before the horse. Proper and comprehensive consultation must occur before decisions are implemented.

The attitude that "the sound of jets is the sound of money" only exemplifies the short-sighted approach that we should be trying to get away from.

It seems somewhat regressive that we would be creating the world's biggest battlefield in this era of closer relations and increased co-operation between east and west. Moreover, the increase of flight activity coupled with the sonic boom effect would endanger the wildlife and infringe upon the lifestyles of the thousands of people who inhabit the region and indeed would disrupt the delicate balance of the environment.

* * *

EDMONTON CONFERENCE

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, Edmonton was host to the great debate last Monday. It was sponsored by the Edmonton Chamber of Commerce as part of its debt reduction conference.

I would like to thank the Edmonton chamber for sponsoring the conference. They studied the debt situa-

tion in a responsible manner and came up with some thoughtful solutions. We all know who won the debate. I can quote CJCA panellist, Professor Tom Powrie, who said: "Michael Wilson won hands down".

Or perhaps I should quote David Bailey, the editor in chief of the *Edmonton Sun* who bluntly said: "Doug Young lost it".

The Edmonton Journal columnist Mark Lisac thoughtfully remarked: "Spectators saw Liberal finance critic, Doug Young, take on one of the real heavyweights in Canadian politics and get pounded into impudence."

Albertans love blood sports. Let's do it again.

* * *

CORPORATE TAXATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I would like to welcome you and all Canadians to what will become a regular feature on Wednesdays. The NDP will present the corporate welfare bum of the week. Each week we will choose one winner from three nominees of large corporations that have not paid their fair share of taxes.

The nominees are Bramalea Limited. This property company did not pay any taxes from 1984 to 1988. Its net income increased in that period from $11.2 million to $41.2 million, but still no taxes paid.

The second nominee is another property company, Trizec Corporation which paid only $600,000 in taxes both in 1987 and 1988. Its net income for 1987 was $101 million. In 1988 it was $90 million.

Our final nominee is Hees International which, you guessed it, did not pay a penny in taxes from 1981 to 1987.

Now, for our winner—the envelope, please: The winner of corporate welfare bum of the week, Hees International.

The judges felt that this financial and management services company deserves the title as it seems to do little else than own other companies. Not to worry if our other two companies might feel slighted, Hees owns them—

Mr. Speaker: The hon. member's time has expired.

Oral Questions

FISHERIES

Mr. Stan Wilbee (Delta): Mr. Speaker, Canada recently reached an agreement with the United States on the implementation of the free trade panel report on the export of unprocessed British Columbia salmon and herring. Under the agreement U.S. processors now have the right to buy, if they choose, up to 20 per cent of B.C. unprocessed salmon and herring this year and up to 25 per cent over the next three years.

Of this agreement, UBC professor Dr. Peter Pearse, who headed a royal commission into the B.C. fishery in 1981–82, said: "No foreigner is going to be able to take west coast fish unless they have been caught by a Canadian and a Canadian fisherman chooses to sell them. Last year, under the then existing rules, Canadian processors purchased more American fish for processing in Canada than vice versa.

All the evidence is that free trade in raw fish creates more jobs in Canada, not less. The Canadian fishing industry has shown it can compete on the world market and it is up to them to remain competitive".

With the combination of continued government management of the resource and private initiative to process and market the resource, the fisheries will remain strong and viable for the benefit of all British Columbians.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

When the Premier of Saskatchewan spoke on television earlier this week, he said:

> When the federal budget was introduced, additional pressures were put on our province. The immediate effect was a drop of $33 million in transfer payments from the federal government. Over the long term, an annual shortfall of about $100 million will occur at a time when the people of Saskatchewan can least afford it.

The premier went on to say that the budget, in combination with the Americans stealing our traditional wheat markets, and I quote: "amounts to the world declaring economic war on Saskatchewan".

Will the government listen to the Premier of Saskatchewan, declare a ceasefire in its economic war with Saskatchewan and the other provinces, and withdraw its misguided budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, surely the hon. member understands that there is no economic war, using his terms, when we are transferring to the provinces $34 billion next year. We are increasing those transfers by 3 per cent, which is the same as the increase in the federal government programs.

We are asking the provinces to share in this national problem of getting the deficit down. We must ask them to do that because of the size of those transfer payments. They represent about one-third of our program spending. We are asking them to be a one-third part of our expenditure control program. I think that it is only fair what we are doing.

He talked about the problems with international subsidy wars. My colleague, the Minister of Agriculture, has commented on those on many occasions. We are doing what we can, in international fora, in the trade negotiations and in the summit discussions where the Prime Minister has represented us. In many, many ways we are dealing with this international subsidy war problem.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, when I spoke of an economic war with Saskatchewan waged by this government, the term "economic war" was used by Premier Devine, a Conservative premier, in a speech on television. If the minister has any concerns about those words, he should take them up with Premier Devine.

In his speech, Mr. Devine also said:

> I told the Deputy Prime Minister Saskatchewan people need a half a billion dollars right now to get ready for the spring seeding, and another $400 million just to compete with the unfair subsidies of foreign governments. I also told Mr. Mazankowski Canada needs a billion dollar contingency fund to keep us from becoming casualties in subsidy wars.

What specific answer will the government give to this plea for help from Saskatchewan, or will the minister just have to admit that the government still has no plans to help the farmers of Saskatchewan and the farmers across this country?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am sure that the Premier of the province of Saskatchewan would not be taking any lessons about how we might help farmers from the hon. member himself who has recently become interested in this matter as a result of Premier Devine's intervention.

As I indicated to the House yesterday—

Mr. Gauthier: You are really scraping the bottom of the barrel.

Mr. Mazankowski: As I indicated to the House yesterday—

Mr. Gauthier: What a cheap shot.

Mr. Speaker: The hon. minister.

Mr. Mazankowski: I am not sure why the House leader for the Liberal Party is so sensitive—

Mr. Duhamel: Because it was a cheap shot.

Mr. Mazankowski: —when we are discussing a very important issue. We are discussing a very important issue here.

Mr. Duhamel: Be serious.

Mr. Mazankowski: I am serious, and when it comes to agriculture this government or this party has always been serious. It has in the past, it is today, and it will be in the future.

• (1420)

Mr. Gray (Windsor West): Mr. Speaker, it is clear from Premier Devine's speech that he certainly is not persuaded that the Deputy Prime Minister and his party have always taken such a concern for agriculture in this country. If that were the case, why did Mr. Devine feel it necessary to make that speech?

* * *

[*Translation*]

ATLANTIC FISHERIES

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Mr. Devine made his speech two days ago, but for the past two months it has been public knowledge that the Atlantic fisheries are in trouble, and the government has had plenty of time to organize a recovery program.

Mr. Speaker, although the Prime Minister was in Halifax yesterday, he failed to take this opportunity to announce a fisheries recovery program for the region.

Why didn't the Prime Minister announce a recovery program yesterday for the region's fishermen and processing plants?

This crisis has gone on far too long. When are we going to see this government come up with a real action plan?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I think that if the hon. leader of the Opposition would care to recall this country's recent history with respect to fisheries, he would realize the Liberal Party is hardly in a position to tell us what to do since it is responsible for everything that led up to what has now become the Atlantic fisheries crisis.

The Prime Minister has refused and this government refuses—

Some hon. members: Oh, oh!

Mr. Valcourt: They don't like the answer. They ask intelligent questions, but they don't want an answer!

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is directed to the new Fisheries Minister, and I want to take this opportunity to wish him every success in his new post.

Some hon. members: Hear, hear!

Mr. Robichaud: There has been a lot of talk about special assistance programs for communities affected by the Atlantic fisheries crisis.

The Prime Minister and other ministers have referred in very general terms to generous programs involving billions of dollars. The minister himself said last week that the Prime Minister had not made any promises. Last night, however, when faced with unruly demonstrators, the Prime Minister repeated his vague promises.

Is the new minister at liberty to tell us whether there will be a special aid program with additional funding, or is he going to give us more of the same and blame it all on somebody else, as he did just now?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, the communities I visited last week and the groups I spoke to do not consider the $130 million the government gave to these communities a few months ago to be a "rehash".

I can tell the hon. member that in my consultations last week, and not to my surprise since I know Atlantic Canadians, not one group asked me or asked the government to throw money at the problem.

We have a serious situation in the Atlantic region. The government has already given a preliminary response. We must consider the Harris report; we must also consider how in the future we can best avoid a situation like the one we are now going through.

Furthermore, in recent months, the government has put in place mechanisms to come up with these solutions. And if the hon. member wants to know if action will be taken, the answer is yes. Measures will be announced as soon as they have been decided.

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, it is still a "rehash" and what is more, we have to wait for it.

[*English*]

In the case of fishing communities that are losing their whole base of support when large companies decide to pack up and leave, will the minister exercise his authority and prevent the companies from transferring their boats and licences to other ports, so that these communities can continue to live from the sea and still be there when the stocks return to normal? Will he exercise his authority?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I am quite amazed at the member referring only to the people affected by those announced plant closures.

Of course we are not talking about the thousands of employees who are already working in other plants that do function.

Mrs. Campbell (South West Nova): Where?

Mr. Valcourt: In Lunenburg and other areas of Atlantic Canada.

Mrs. Campbell (South West Nova): Only in Lunenburg.

Mr. Valcourt: Any quick fix for the Liberal Party; it is famous for that. I do not think that is the way the way to deal with this matter now. There is no quick fix for a serious problem.

It is all right to blame us in the House and to blame the government for the situation, but as I said in Atlantic

Canada—and every premier agreed with me, including Mr. Wells, Mr. McKenna, Mr. Buchanan and Mr. Ghiz—we have to work together and be the architects of the solution together.

We win nothing by just having mud thrown at us supposedly for being responsible for a situation which developed over a long period of time. We want good solutions and that is what we are striving for.

Some hon. members: Hear, hear!

* * *

THE ECONOMY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

On December 13, 1989, the Prime Minister made a commitment to Atlantic Canadians that the government would respond to the crisis in the Atlantic fishery, and I quote, "with exactly the same kind of generosity and enthusiasm" that was shown to western farmers.

Will the Prime Minister assure Atlantic Canadians that the Atlantic Fisheries Adjustment Program that he referred to yesterday will ensure that Atlantic Canadians can remain employed in their own communities? Will he tell the House today what measures will be taken and exactly when?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend raises the question of an adjustment program, but there is more to it than that.

As the Minister of Fisheries and Oceans has just indicated, the government responded initially with a $130 million package designed to deal with the immediate hardships encountered by those in fishing communities in Atlantic Canada.

We are now in the process of preparing an important response to the Harris commission which deals with conservation and other important policy measures to ensure that the resource is no longer depleted in the future and remains an asset for Atlantic Canada.

Third, there is a dimension to it which we are going to deal with in an Atlantic Canada adjustment package particularly designed for the fishery which we hope, following the minister's discussions with various premiers, fishing leaders, union leaders and plant owners, will bring a definitive solution for fishermen in Atlantic Canada.

What we do not want to do is repeat some of the experiences of the past which solved the problem for a brief period of time and then caused it to recur again. We want a definitive solution in the interests of the people of Atlantic Canada.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Prime Minister.

I have to say that Atlantic Canadians need a definitive solution too, but Atlantic Canadians are now without jobs. This problem has been known for a long time. It is not a new problem and the Prime Minister knows that.

Similarly, the crisis for Canadian farmers is not a new problem and it continues to get worse. This year in Saskatchewan alone the farm income is expected to go down 101 per cent, a negative farm income.

With spring seeding around the corner, the government says it is studying the problem. Farmers cannot wait for another study. They are losing their farms now. Will the Prime Minister act immediately to implement a specific farm support program?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, of course it is an urgent problem and of course it is important to assess in a precise way the magnitude of the situation. Mr. Devine and other provincial governments are working together with us in doing just that.

As I indicated to the House yesterday, supplementary drought payment cheques are being distributed right at this very moment.

I want to remind the hon. member that the government's support for agriculture in the province of Saskatchewan is very great. It is very huge, as a matter of fact. For every dollar that the Saskatchewan government puts into agriculture, the federal government has put in between $10 and $12.

• (1430)

Now that is a pretty solid record and certainly does not say to me that the Government of Canada is avoiding the problem. It says to me that the Government of Canada is very cognizant of the problem. It has a solid track record and we are going to work with the provinces in trying to

provide the kind of solution to which the hon. member refers. I hope that we will have the support of her and her party when we bring it down. I am sure that we will.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the minister responsible for fisheries said that this government does not want to do a quick fix. Well, farmers in the west and people in the Atlantic region are seeing no fix.

My final question to the Prime Minister is very specific. When will western farmers and Atlantic fishermen receive the long promised support programs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government responded very generously to the needs of farmers across Canada in the past and we have responded as well to the fishermen. We are working, as the minister has indicated, very closely with the producing provinces which are confronted with the kinds of problems that Premier Devine has described.

I have just returned from meetings in Atlantic Canada yesterday, including—

Mr. Robichaud: Very friendly meetings.

Mr. Mulroney: Yes, very friendly meetings, apart from a few of my hon. friend's friends who were there.

Some hon. members: Oh, oh!

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to bring to members' attention the presence in the gallery of the Hon. C. Stephen Rogers, Speaker (Designate) of the British Columbia Legislative Assembly and Mr. Mark Rose, Opposition House Leader.

Some hon. members: Hear, hear!

* * *

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, this week the Premier of Saskatchewan estimated that one-third of the farmers of Saskatchewan are facing an immediate debt crisis and an additional 20,000 farmers are worried about the possibility.

Can the Minister of Agriculture tell this House today what assistance the government will provide for Canadian farmers, or is he waiting for an election to be called in Saskatchewan before he acts?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated to the House yesterday and again today, we are working very closely with the provinces in trying to put together a package that will respond to the needs to which the hon. member refers. I hope that we can do that in a time that would clearly demonstrate the government's intentions, with the support of the provinces, hopefully before spring seeding.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, since January 1 export prices for wheat have dropped by $10 per tonne. Yet grain stocks are at the lowest level they have been for many years. The minister refuses to recognize that his blind belief in the free market system, that no longer exists, is destroying the family farm in Canada.

When will the minister stop acting like a bushleaguer of international trade and fight fire with fire by introducing Canadian programs to combat American and European export subsidies?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am almost tempted to talk about bushleagues but I won't because this is a very serious matter.

The hon. member knows that we have responded in the past and we intend to respond now because of the impact that the price war has on the income situation of all farmers who are producing grains and oilseeds. I think the hon. member is also aware that while the subsidy war still continues it has been reduced somewhat substantially. The Europeans, for example, were subsidizing to the tune of about $200 per tonne. Today it is about $80 per tonne. The United States, under their EEP program, is subsidizing in the order of about $20 per tonne.

In fact, since 1986–87 grain prices have strengthened and we certainly do not support the kind of price war that is going on. We are doing everything that we can in our power to resolve this trade dispute through the MTN negotiations and that will certainly provide the long term solution.

We have, as a government, supported the farmers on the deficiency that occurred as a result of the trade war and we are looking at that again along with the drought program, the shortfall in cash to put the crop in, and all the other things related to that to develop the kind of package which I am sure the hon. member will support.

* * *

HAMILTON HARBOUR COMMISSION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is directed to the Prime Minister. The chairman of the Hamilton Harbour Commission, Peter Lush, who was appointed, by the way, by the Prime Minister, is both the listing agent and owner of a real estate firm selling property which the harbour commission wants to buy.

The Commission has already purchased land from the same real estate firm of which Mr. Lush was a member when he was a member of the harbour commission. Would the Prime Minister not agree that this is a blatant conflict of interest?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my hon. friend will know that the Hamilton Harbour Commission operates at arm's length from the government.

Some hon. members: Oh, oh!

Mr. Lewis: It is financially self-sufficient. My hon. friend is—

Some hon. members: Oh, oh!

Mr. Gauthier: Is that short arms or long arms?

Mr. Axworthy (Winnipeg South Centre): Why, it's almost independent.

Mr. Lewis: They either want to hear it or they don't.

Mr. Speaker: The hon. minister.

Mr. Lewis: I do not want to dredge up any old allegations that might embarrass my friends opposite. This issue was thoroughly reviewed by the commission at the time the original allegation was made and we are satisfied that there was no conflict of interest.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, old allegations on a new member of Parliament won't cut the mustard.

The Hamilton harbour commissioners were established by an act of Parliament. That act of Parliament states quite clearly that the corporation shall not have any transactions of any pecuniary nature either in buying or selling with any members thereof directly or indirectly.

Back in 1986, Peter Lush admitted that he would not become a harbour commissioner if it meant giving up the listings his firm had. That is property, of course, that the Hamilton Harbour Commission was interested in buying.

Does the Prime Minister not agree that Mr. Lush has one of two options: He either gives up his listings or he resigns from the commission.

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, if my hon. friend has any information which impacts on conflict of interest which he is prepared to give, I suggest that he give it to me. Otherwise, why doesn't he see if he has the nerve to make that same allegation outside the confines of this House.

* * *

LOW-LEVEL FLIGHTS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, in a statement in Halifax yesterday the Prime Minister expressed scepticism that NATO would proceed with the Goose Bay low-level test flight facility given the reduction of tensions in eastern Europe.

My question is directed to the Prime Minister. Given widespread Canadian opposition to the facility and the disastrous impact it will have on the way of life of the Labrador Innu, will he exercise Canadian sovereignty on this issue rather than passively leaving the decision to NATO and, in the interests of the Innu and all Canadian people, cancel its bid to NATO for the low-level test facility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the NDP members will have to make up their minds. On the one hand they ask us to promote job creation in Newfoundland and Labrador. When we try to bring in thousands of jobs for the benefit of Newfoundland and Labrador, they are the first people to be opposed before it even has an opportunity to be examined carefully by the people in Newfoundland and Labrador.

• (1440)

The Government of Canada, as a member of NATO, was approached with a proposal which we agreed to submit to environmental review and to cabinet consideration if NATO decided to proceed.

I indicated yesterday in Halifax that in light of recent developments, I personally—not NATO but I personally—was somewhat sceptical as to whether the entire project would, in the light of these new circumstances, appear. My hon. friend cannot take yes for an answer.

Mr. Robert E. Skelly (Comox—Alberni): It is seldom that we get yes for an answer or any answer at all from that side, Mr. Speaker.

Given the disastrous cuts to native programs in the department of the Secretary of State, would the minister not consider it advisable to create jobs in Canada and that rather than stripping native organizations of their leadership, cutting out native media altogether, eliminating the basis of native broadcasting and eliminating friendship centres, the place to create jobs would be in those programs rather than in a test flight facility that the Prime Minister himself considers obsolete and is sceptical about?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not consider it obsolete at all. I did not express a view in regard to any degree of obsolescence. I simply responded—

Ms. Mitchell: You're obsolete.

Mr. Mulroney: Well, my hon. friend says I am obsolete. Hang on to your hat. In 1992 we are going to make the NDP obsolete in this country.

* * *

[*Translation*]

CANADIAN ARMED FORCES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of National Defence.

On March 2, a Canadian Armed Forces CF-18 broke the sound barrier in the Gatineau—Hull—Aylmer area.

Can the minister tell us what regulations the Canadian Armed Forces have for CF-18 pilots concerning flights in Canada? Will you communicate with Canadian Armed Forces officials to prevent a recurrence of such an incident?

[*English*]

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I thank the hon. member for his question. I can inform him as to the regulations that govern supersonic flight. According to CFP 100(3), Supersonic Flights—I know the hon. member for Brant would know that by heart but I wanted the rest of the hon. members to know.

Mr. Speaker, this is important. The member asks a question that is important.

> Aircraft shall now be flown at supersonic speeds:
>
> a. except in an emergency or when otherwise directed by the CDS or an OCC;
>
> b. below flight level 300—
>
> c. at any altitude within 25 nautical miles of a built-up area—
>
> d. unless directed by a NORAD controlling agency.

The hon. member brings this issue to our attention and I will bring to the attention of the House that the pilot in question, because of the investigation, has been grounded and appropriate action will be taken.

* * *

ENERGY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of Energy. This year's energy Estimates show a $246 million cut for conservation and alternative energy. How can the minister support these cuts when this government says that a clean environment is a priority?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, there were cuts made in the budget for my department in a number of areas and that is supported by me. I take responsibility for those cuts. It was necessary to do so to bring down the deficit and have the economic well-being that we need in order that energy can grow as an economic factor.

Also we have to move away from the direction of the former government, through its NEP, in that we had vestiges of the NEP. Namely, if there is a dollar to be found let's spend it because we will have energy efficiency. That is just not the way to go.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the United States is very concerned about its deficit and it has increased spending in this area. Without continued

government leadership and support we are going to lose our lead in this whole area to the United States and Europe.

Will the government stop discriminating against alternative energy through its taxing and spending and give alternative energy the priority it deserves?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I find that passing strange from that member. I was in Charlottetown a few weeks ago where the biomass project was put into place on which we spent $7 million per capita. That was one of the highest expenditures for alternate energy in Canada. I wish she would start saying thank you for those kind of things rather than the kinds of things she is saying.

* * *

IMMIGRATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Immigration and it concerns the Federal Court decision which ruled that the minister's refugee backlog system is illegal. Irrespective of whether the minister has read the court decision, she knows full well that there is much confusion over the present status of that system.

Can the minister clarify for the House whether the current backlog system is conducting business as usual, or whether she has issued directives through her officials to suspend those operations until that system is changed or abolished altogether?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like to remind the hon. member, who should not have to be reminded of this, that the judgment did not concern the whole of the backlog review system. The case challenged a single part of the backlog clearance process, which was the frontend humanitarian and compassionate criteria, the guidelines that went out.

This backlog clearance was established to deal with claims in the refugee status and the determination remains the primary issue. I want to remind him of that.

I can tell him that within the department the backlog clearance system is proceeding. The interviews are continuing to take place, but the decisions on those interviews are being held in abeyance until we see the written reasons for the judgment.

Mr. Sergio Marchi (York West): Mr. Speaker that answer is simply incredible. If the front end is bad, what makes you think that the back end is going to be good? It is like arguing that you take the front end of a car off and expect it to run.

The Federal Court has rendered a decision—

Mr. McDermid: Which end are you referring to?

Mr. Crosbie: Which end are you speaking from?

Mr. Speaker: Order. Perhaps the hon. member could put his question.

Mr. Marchi: Mr. Speaker, my question is again directed to the minister. She has a responsibility to take this Federal Court decision in the serious context that it was given. Does she not believe that, together with the other condemnations of her system, this judicial ruling is serious enough for her not to continue with business as usual, but to suspend those systems currently in place, to try to develop a system that is fair and to try to give justice to individuals who have been waiting in this backlog for some four to five years? Does she not think it is time that she wakes up and smells the coffee and does something about it?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would point out that if I did what the hon. member is suggesting those people would have to wait an awful lot longer. The approach we are taking was actually endorsed by the standing committee. It is the right approach for dealing with the backlog.

I would also remind him that one of the reasons that there are so many people waiting is that the members of his party in the other place, not for the last time I may add, held up something so that thousands and thousands of people were added to this backlog.

• (1450)

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is also for the Minister of Employment and Immigration. It concerns Mr. Justice Jerome's decision that the minister's guidelines were illegal and wrongful because they contradict the Immigration Act. This is not the first time that this government has bungled on this matter, either before the Senate's work or after the Senate's work.

I would ask the minister whether, in view of the hardship visited on people for some years now, including the members of her own immigration staff, and in view of this added delay for which she is responsible through that guideline, she will direct her staff to prepare a speedy system for landing all persons in that backlog according to basic criteria of health and security.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, if the hon. member is really interested in fairness, he will know that the case-by-case review we are conducting on the backlog is consistent with the legislation now in place which is functioning for people who are arriving in Canada today. A case-by-case method is the most fair way of dealing with people in the backlog.

It is our view, in keeping with natural principles of the rule of law and case-by-case, that this is the way to conduct the backlog despite the difficulties. Our job is to try to overcome any of those difficulties in the process as they arise.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the minister knows that her $100 million two year program has now become more like a $600 million six year program. Therefore, the fairness that she undertook is simply not available to these people who must wait and to the whole immigration department which is being disrupted by this program and the drain on its staff.

Therefore, will the minister do what I requested before. Will she at least undertake to use the broad guidelines for *de facto*, long-term residents of Canada which had been in place and operating for years until she interrupted them with her narrow guidelines? Will she direct her staff to begin today to use those broad and lawful guidelines for all persons in the backlog, including the several thousands who were wrongfully rejected?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I want to clarify this for the hon. member. I do believe he really does know that the guidelines that were established at the front end of the system did not mean that if people did not meet those guidelines they were expelled from the country. It simply meant that they went to the next stage in the process and there is, at the end of that process, another humanitarian and compassionate review.

We have bent over backward to ensure that this system is fair. That does not mean that there may not be ways that we can improve the process, and I am always looking at ways to do that. But to suggest that this has disrupted my entire department is totally wrong and out of context because the department has worked very hard to ensure that this system will work. I can assure the hon. member that we are going to do everything in our power to make sure that it does.

* * *

JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. I want to begin by congratulating her on assuming the portfolio and wish her well.

Some hon. members: Hear, hear!

Mr. Kaplan: Mr. Speaker, I want to raise important unfinished business with her. When the royal commission investigating the Donald Marshall case, the Micmac Indian, reported its findings of racism underlying the federal system of justice and, in fact, the Canadian system of justice, I asked the minister's predecessor to reply to the 20 recommendations that were made for action by the federal government. The minister then replied that he was waiting for the Government of Nova Scotia to act.

The Government of Nova Scotia acted; it acted a month ago. Racism is too urgent for delays like this. I want to now ask this minister to reply to the recommendations which were made for federal action.

Ms. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to thank the hon. member for his good wishes which I accept with pleasure.

I believe that the hon. member's characterization of the response of my predecessor is not quite correct. The former Minister of Justice made it very clear that the Department of Justice is reviewing the recommendations of the Donald Marshall inquiry and will provide a full and comprehensive response quite independent of what has been done by the Nova Scotia government.

We have participated in the creation of a panel which is reviewing the conduct of judges in Nova Scotia. I would like to add also that, aside from any initiatives that the Department of Justice may take, this is a subject of which the Government of Canada has not been unaware.

With reference to other departments, in my previous portfolio the Department of Indian Affairs and Northern Development engaged in some very interesting initiatives in this area recently, putting out, if I may speak on behalf of my colleague, a report on native policing, for example, which is now out for consultation broadly in the Canadian public. As well, provisions for negotiating self government also provide some opportunities for looking at questions of the administration of justice.

I think the recommendations of the Marshall inquiry are extremely important and require the kind of deeply considered review that the Department of Justice is now undertaking. I look forward to bringing forward the response of my department to the House at the earliest possible opportunity.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I certainly appreciate a considered review by the department, but the province of Nova Scotia, which had about 60 recommendations to look at, was able to respond a month ago.

I want to ask the minister in particular, what is her response to the recommendation for the establishment of an independent review mechanism for cases of wrongful convictions which could have been used in the Donald Marshall case or which could, for example, be used in the case of Fred Ruddick who is also arguing that he has been wrongfully convicted?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the hon. member would agree that that is a very significant recommendation and would represent a significant change in the way the federal government has dealt with those cases in the past. It requires due consideration.

The reason the Nova Scotia government was able to respond more rapidly to the recommendations of the Marshall inquiry is that under the Constitution of Canada the administration of justice is under provincial jurisdiction. It is, therefore, able to make much more direct responses to those recommendations.

We will consider all the recommendations of the Marshall inquiry and report at the earliest possible opportunity.

* * *

THE ECONOMY

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance.

The minister has frequently said that international pressures drive up interest rates in Canada. During the past months interest rates have risen rapidly in Japan and Europe and have remained high in the United States. The minister nevertheless claims, in his recent budget, that somehow in Canada interest rates will be reduced from 13 per cent to 11 per cent and then to 9 per cent.

Will the minister explain how he will achieve those forecasts against the international trends?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me welcome my colleague to one of his cameo appearances in the House of Commons.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we are neighbours. We can talk like that to each other.

The hon. member has raised a very important issue, that is the level of interest rates in this country. We have pointed out our concerns about inflation and the reasons why we believe our interest rate policy is an appropriate one.

Inflation in 1988 was 4 per cent. In 1989 it was 5 per cent and earlier this year it was 5.5 per cent. Clearly there are pressures there that we must deal with.

I am confident, though, that we will be able to see some turnaround in these inflationary pressures and, with that, we will be able to see some reduction in interest rates consistent with the projections that are put out in the budget.

I would point out to my friend, as he and others have pointed out to me in the past, that we do have some room to manoeuvre here in relation to other countries. A year ago the interest rate spread between the United

States and Canada was 1.75 per cent. It is now 4.75 per cent, so that gives us some opportunity to get rates down if the inflationary performance does warrant that.

• (1500)

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I thank the minister for his kind words. I should have preferred that he had once again referred to things that I have written about his policies, since my royalties go up each time he does so. The result is that I am probably the only person in Canada who ever benefits from his budgets.

Some hon. members: Oh, oh!

Mr. MacLaren: I would remind the minister that he has been consistently wrong during his six years in office, wrong without exception about his interest rate forecasts. The minister knows that as well as I do. He has never once made an accurate forecast about interest rates in this country.

Mr. Speaker: I would ask the hon. member, given the fact that this is the last question, to put his question.

Mr. MacLaren: The minister has said, contrary to his earlier statements, that he does believe that international pressures help drive interest rates in Canada. Therefore, will he agree that the interest rate forecasts in his budget are already unrealistic and that Canadians can expect another budget before year end?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the fiscal year has not started. I do not know why we are talking about another budget before year end.

What I would draw to the hon. member's attention, since he does have some idle time these days, is the publication put out in January which discussed the Department of Finance projections in relation to the actual outcome and also in relation to the forecasts that are made by a group of private sector forecasters that we monitor regularly.

The Department of Finance is number two of the 25 private sector forecasters. Clearly our record over the past five years has been a very good one.

I might also point out that the deviation on the budget deficit for this government in the last five years has been $2.6 billion. For the previous five years under the Liberal administration, it was some $26 billion or 10 times the deviation from the projections that we put out. That gives an indication of the accuracy of our forecasts.

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BOARD OF INTERNAL ECONOMY

APPOINTMENT OF MEMBERS

Mr. Speaker: I have the honour to inform the House that the Hon. Harvie Andre, member for the electoral district of Calgary Centre and the Hon. Robert R. de Cotret, member for the electoral district of Berthier—Montcalm have been appointed as members of the Board of Internal Economy.

[*Translation*]

—for the purposes and under the terms of Chapter 42 of the first supplement of the Revised Statutes of Canada, 1985, entitled An Act to amend the Parliament of Canada Act.

ROUTINE PROCEEDINGS

[*Translation*]

1989-90 SUPPLEMENTARY ESTIMATES (C)

REFERENCE TO STANDING COMMITTEES

Hon. Robert de Cotret (President of the Treasury Board): presented a message from His Excellency the Governor General transmitting Supplementary Estimates (C) of the sums required for the service of Canada for the fiscal year ending March 31, 1990 and, in accordance with Section 54 of the Constitution Act, 1867, recommending these Estimates to the House of Commons on March 1, 1990. The message was read to the House by Mr. Speaker.

[*English*]

Mr. de Cotret: Mr. Speaker, I would like to move, pursuant to the provisions of Standing Order 81(5) and Standing Order 81(6):

> That the Supplementary Estimates (C) for the fiscal year ending March 31, 1990, laid upon the table earlier this day, be referred to the several Standing Committees of the House as follows:

Since there is a detailed allocation of the Estimates to various committees, and the list is lengthy, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

[*Translation*]

Mr. Speaker: Does the House agree?

Some hon. members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 8c and 15c.

To the Standing Committee on Agriculture

Agriculture, Votes 5c, 15c and 20c.

To the Standing Committee on Communications and Culture

Communications, Votes 10c, 40c, 50c, 55c, 75c and 80c.

Secretary of State, Votes 1c, 5c and 30c.

To the Standing Committee on Multiculturalism and Citizenship

Secretary of State, Vote 15c.

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Consumer and Corporate Affairs, Votes 1c, 5c and 25c.

Governor General, Vote 1c.

Privy Council, Votes 1c and 5c.

Public Works, Votes 2c, 5c, 15c, 22c and 30c.

Secretary of State, Vote 25c.

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 40c and 45c.

To the Standing Committee on Environment

Environment, Votes 1c, 5c, 10c, 15c, 20c and 25c.

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1c, 2c, 10c, 15c, 30c, L35c, L40c and 55c.

To the Standing Committee on Finance

Finance, Votes 1c, 17c and 18c.

National Revenue, Votes 1c, 5c, 10c and 15c.

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Vote 1c.

Forestry, Votes 1c and 10c.

To the Standing Committee on Human Rights and The Status of Disabled Persons

Justice, Vote 10c.

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1c, 5c, 15c and 35c.

Solicitor General, Votes 1c, 5c, 10c and 25c.

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1c, 6c, 10c, 15c, 17c and 20c.

Labour, Votes 1c, 5c, 10c and 15c.

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 1c, 5c, L11c, 15c and 20c.

Veterans Affairs, Votes 3c and 5c.

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

National Health and Welfare, Votes 1c, 5c, 10c, 15c, 25c, 35c, 50c, 55c, 60c, 65c and 70c.

To the Standing Committee on Public Accounts

Finance, Vote 25c.

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Indian Affairs and Northern Development, Votes 30c, 35c, 40c and 45c.

Industry, Science and Technology, Votes 1c, 3c, 10c, 25c, 30c, 32c, 33c, 40c, 70c, 80c and 85c.

To the Standing Committee on Transport

Privy Council, Vote 25c.

Transport, Votes 1c, 5c, 17c, 20c, 25c, 26c, 45c and 70c.

Motion agreed to.

* * *

[*English*]

EXTERNAL AFFAIRS

MEETING WITH AFRICAN NATIONAL CONGRESS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, a week ago today, I had the distinct privilege, on behalf of Canada, to meet with Mr. Nelson Mandela on his first voyage outside South Africa since he was confined to prison 27 years ago. I want to report to Parliament on our conversations, and also on my brief visit to Namibia, in whose struggle for independence Canada has played such a vital role.

Lusaka, Zambia is the headquarters of the African National Congress in exile. Mr. Mandela came to consult with his national executive, some of whom he had never met. He wanted also to meet those countries and institutions which have played a leading role in the struggle against apartheid. The Prime Minister, whom I represented, was one of the first invited to Lusaka, which is a sign of the respect that Canada has won among the

people on the front lines of the fight against apartheid. That is a tribute to the resolve of people throughout this House and across the country. But it also creates a responsibility for Canadians to continue our leadership in new circumstances which, while more promising than the decades of impasse on apartheid, are also more challenging and complex.

[*Translation*]

The House knows the changes which have swept South Africa in recent months:

—the historic Harare Declaration of the African National Congress which accepted the desirability of peaceful, negotiated change in South Africa;

—the election as President of South Africa of F.W. De Klerk, a man who seems committed to initiating real change;

—the unbanning of the African National Congress;

—and the triumphant release of Nelson Mandela from prison on February 11.

The stage is now set for historic progress towards a truly democratic and non-racial South Africa. But we have only just begun. The state of emergency is still in force. Political prisoners remain detained. The pillars of apartheid remain. As Kenneth Kaunda said in Lusaka, Mr. Mandela is now free, but he is free only to live in an apartheid system.

[*English*]

I think it important that Canadians understand the spirit in which Nelson Mandela approaches this phase of events in South Africa. He referred to his meetings with President de Klerk, and the Ministers of Justice and Constitutional Affairs of South Africa, and said he is convinced that they are true reformers who seek a new social contract in South Africa. But, he noted, these are but three men who face the same party structure responsible for the development and the maintenance of the repressive regime of apartheid. They deserve to be encouraged, but neither he nor the world could ignore the history of the national party or the forces of retrenchment which lie in waiting. Mr. Mandela believes that pressures must be maintained until real change occurs. Expressions of intent are not enough to warrant relaxation of pressure.

Mr. Mandela was unambiguous on this issue: the greatest assistance which could be offered by the outside world to the African National Congress is to maintain sanctions. Indeed, he spoke of intensifying sanctions, and I have asked him to indicate where and how he thinks this should occur.

• (1510)

Commonwealth heads of government, in Kuala Lampur last year, agreed that Commonwealth pressure would remain unyielding until there was "evidence of clear and irreversible change." The Commonwealth Committee of Foreign Ministers, which I chair, will meet in Nigeria, in May, to assess the evidence of change. The African National Congress has agreed to work with us in that process.

The headquarters of the African National Congress will return to South Africa and the organization, unbanned, will lead the effort to secure a non-racial democracy in South Africa. Thousands of ANC members and followers will have to be relocated inside South Africa. Offices will have to be established. A new infrastructure must be built. The ANC, at the same time it is negotiating, will also have to focus on equipping the black leadership in South Africa for the responsibilities of economic management and political governance.

The ANC asked me for Canada's direct assistance in meeting the costs of its reintegration into political life inside South Africa. I noted the firm policy of successive governments of Canada not to support political parties in other countries. We will, naturally, continue to support specific humanitarian, education and other programs which meet the needs of the ANC. A delegation from the African National Congress will come to Ottawa within a month to discuss specific areas of co-operation.

I also made the point that there are thousands of private citizens in Canada who would want to support the return home of the African National Congress. This resource should be tapped, and I have initiated discussions with representatives of the three parties in Parliament to identify individuals and strategies which can be offered to the ANC to help them secure substantial private Canadian support.

A great challenge facing the ANC is to level the playing field as it approaches negotiations with the government. The South African government will be able to draw on all the wealth, expertise and resources which apartheid has put at its disposal. The ANC is dispos-

sessed and disadvantaged in this regard. Successful negotiations will require a greater equality of resources and expertise. That is an area where Canada can help.

Finally, the ultimate success of a non-racial South Africa will depend on the capacity of both blacks and whites to exercise both political and economic power. Economic exploitation lies at the heart of apartheid and, by and large, black South Africans have been shut out of the experience of running industries and businesses. Therefore, I told Mr. Mandela that we will look urgently at additional programs to provide potential black leaders of industry with practical experience in running large corporations in both the private sector and the public sector.

In their telephone conversation of February 13, the Prime Minister invited Mr. Mandela to visit Canada. He has suggested that it might be appropriate for Nelson Mandela to address this free Parliament. Mr. Mandela looks forward to coming to Canada to express directly his appreciation of the support of Canadians.

The impression I took away from two days of meetings is of a man who is strong, serene, wise and generous. He is a person of principle, but also of practicality and flexibility. To emerge from prison after so long a punishment and to retain an understanding of the concerns of his jailers is extraordinary. Mr. Mandela disproves the notion that history is made only by impersonal forces. The course of South African history will be determined in large measure by this man and by his counterpart in Pretoria.

Canada will maintain sanctions until there is clear evidence of irreversible change in the apartheid system. But we intend also to encourage President de Klerk in his courageous and moderate course. Foreign Minister Pik Botha has written to me suggesting that Canadian experience might be particularly helpful in developing negotiated solutions for South Africa. I have responded by proposing that Mr. Ted Lee, the head of our legal branch, and Canada's former Ambassador to South Africa, visit the region to assess areas where Canadian expertise might be of use. I made it clear to Mr. Botha that any expertise we might offer must be available to all parties in the negotiations. Mr. Lee will be in South Africa in early April to consult with the government, the ANC and other relevant parties.

The nature of the South African challenge has changed. The opponents of apartheid outside South Africa must be as sensitive and generous in encouraging the process of change as Nelson Mandela has been in leading it. Canadian non-governmental organizations have brought great honour to Canada in their fight against apartheid. I will be meeting with them within the next two weeks to discuss how Canadians together can best pursue this fresh prospect of finally ending apartheid.

After my meetings in Lusaka, I paid a brief visit to Namibia, which will celebrate its hard-won independence on March 21. Canada will be represented at the independent celebrations by my colleague, the Minister of External Relations and International Development and by a small all-party delegation from Parliament. For years, Namibian independence was a hostage to apartheid; now Namibia is leading the way for its neighbour South Africa. It is a remarkable example of a successful transition to a non-racial democracy, of the holding of successful free elections, of the drafting of a constitution without peer in Africa. The Namibian success points to what is possible when reason overcomes emotion and compromise replaces prejudice.

During my conversations with President-elect San Nujoma and his ministers-designate, I expressed both Canada's congratulations and our intent to continue to contribute to the development of a stable and prosperous Namibia.

When I was called to the platform to welcome Nelson Mandela to Zambia, President Kaunda said that Canada, though far away, had earned the right to be considered a "front line state" in the fight against apartheid. Because we are a western democracy, a diverse society, a successful economy, our role may be even more important in this sensitive new phase of the campaign to establish a non-racial democracy in South Africa.

Hon. André Ouellet (Papineau—St-Michel): Mr. Speaker, I would like to extend to the minister our appreciation for his willingness to address the House,

whenever possible, on matters pertaining to foreign affairs.

We Liberals welcome the minister's efforts to meet with Nelson Mandela at an early time. It is important that Canada maintain a high profile in the international effort to persuade South Africa to abandon apartheid. The Liberal Party is currently of the view that recent developments, while encouraging, cannot mask the reality that apartheid is still practised as a rule of law in South Africa. Therefore, we share Mr. Mandela's view that now is not the time to relax sanctions against the South African government.

We on this side of the House feel no need to soften our opposition to apartheid and those forces that support that policy now that Nelson Mandela is finally free. I know the minister will agree with our position stated recently by our Leader that "Apartheid cannot be reformed. It must be abolished."

I know the minister would also agree that will only be possible if the South African government moves to lift the state of emergency, release all remaining political prisoners, and repeal all legislation which give the legal framework to institutionalize racism in South Africa, including the Population Registration Act, the Group Areas Act, the Land Act, as well as the entrenchment in law of segregated health care and education and the homeland system.

• (1520)

As Canadians, we cannot be satisfied with the stated good intentions of the de Klerk government, including its support for negotiations with the African National Congress. As recently outlined by the South African President on February 2, we know very well from experience that promises to hold negotiations are no substitute for actually sitting down at the table. Negotiations once begun can always be broken off.

I suggest, therefore, that the acid test of the South African government's commitment to abandoning apartheid—the only test that Canadians should abide by in considering any change to our sanctions policy—would be their actions during these negotiations, including their position on repealing apartheid legislation.

I would hope that the minister made these points, or will make these points, clear to the South African government so that there can be no misunderstanding as to where Canada stands now on this issue.

As to the minister's suggestions to Mr. Mandela that he consider renouncing the arms struggle as an instrument of the African National Congress in its battle to make South Africa a truly democratic and non-racial society, Liberals support that view. I will remind the minister that our leader, Mr. Turner, made that point very clear in his meeting with the ANC president, Oliver Tambo when Mr. Tambo was in Ottawa three years ago.

The Liberal Party would like to encourage the minister to follow through with his offer of continued assistance to ANC sponsored projects in South Africa and other programs designated to help the victims of apartheid. We would hope that these efforts are not compromised because of the government's continued cuts in foreign aid.

As far as the African National Congress as a political party, I want to assure the minister that we will certainly co-operate with his effort. We are willing to participate in whatever actions or non-partisan committees that could be created for this effort. Therefore, I want to inform this House that Senator, the Hon. Alasdair Graham, has been designated by our party to participate on our behalf in any discussions leading to the creation of a private, non-partisan Canadian group of supporters for the ANC.

I do hope that these private efforts will not be a substitute for whatever actions or direct help that could come from the Canadian government in other activities that are not of a political nature.

Finally, I would like to make a short comment on the minister's visit to Namibia after his meeting with Mr. Mandela. Like all Canadians, we share a sense of joy in the birth of that nation to be officially celebrated on March 31. We will move immediately to extend a hand of welcome to Namibia, to the councils of the Commonwealth and the United Nations. I would also hope that the Government of Canada would consider Namibia a priority for continued economic assistance.

I am concerned, however, about the continued uncertainty surrounding the status of Walvis Bay, the only major seaport in Namibia. I would have expected that the minister discussed this matter while in Windhoek, making clear Canada's view that South Africa must return control of that port to the Namibian people.

As I did not hear the minister speak to this issue in his statement today, I would like to ask him if he could inform the House as soon as possible what is happening with that situation, and what Canada could do to help facilitate Namibian efforts to gain control over this port, so clearly vital to their economic growth.

In closing, let me thank the minister on behalf of many Canadians, not only members of Parliament but Canadians throughout the country who appreciate his work and his effort as Chairman of the Commonwealth Committee of Foreign Ministers. What he is doing is very important and appreciated. But I want to remind him that the work is far from being finished. There is still a lot to be done. It will take skill, determination and certainly not to conclude too quickly that the work is over. I wish him well in his efforts.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to begin by thanking the minister for making a statement in the House, as is his habit, and a welcome habit at that, it gives everyone an opportunity to comment from time to time and to hear each other out on a variety of issues.

All of us felt a tremendous sense of relief and celebration on February 11 when Nelson Mandela was finally released after 27 years in prison. Events surrounding that day and other events in South Africa remind me of the biblical passage which speaks of setting the captives free and giving sight to the blind; the captive in this case being Mr. Mandela and the blind being the white community in South Africa. We hope that the vision of the white community in South Africa will continue to improve and grow towards the day when we have a non-racial democracy in South Africa. We hope that captives will continue to be freed and that all political prisoners in South Africa very soon will be released.

I was mindful, while listening to the minister, of the opportunity I had along with other Canadian parliamentarians, including the hon. member for Waterloo who is here in the House today, to meet with members of the ANC in Lusaka during a visit to that city on our way home from Namibia in September last year. Many of the people we met with on that day for lunch had not been able to be physically present in their homeland of South Africa, for periods of almost as long as three decades. I am very happy to think that many of them may be able to return to South Africa and that Canada, either through the government or through the arrangement that the minister spoke of through fund raising in Canada, might be able to facilitate that return, both of those individuals and the ANC now that it is longer banned in South Africa.

The minister made the point that what has happened so far is only a start and certainly this is indisputable. The structures of apartheid remain. As I mentioned before, there are many prisoners still to be released who are still detained, and the state of emergency remains. All these things remain to be done.

Nevertheless, I do not think anyone would contest that this is a period of great hope and expectation. That period of hope and expectation is largely related to the remarkable person and personality of Mr. Mandela. I think in many respects he was an unknown as long as he was in prison, but having been released, has now emerged as a person with a strength of character which in a variety of ways may just be able to bridge, along with the obvious abilities of Mr. de Klerk, what sometimes seems like an unbridgeable gap in South Africa. We hope that these two people and others will be able to successfully contend with the forces in both their camps and be able to come to a successful negotiation in the near future.

With respect to sanctions, it is not just a question of maintaining sanctions. It is also a question of more effectively enforcing those sanctions which are already in place. This is something that I know that the committee which the minister heads has addressed itself to and which it should address itself to even more thoroughly in the upcoming meeting.

• (1530)

It may also be a question of intensifying sanctions, something the minister acknowledges in his statement, if indeed that is what Mr. Mandela and others come to request. If that request is made, then I would suggest that the government would have to consider complying with that request. That remains to be seen.

These will be difficult times in the homelands. I was just looking at the news before I came into the House and saw that violence has broken out in another homeland, in addition to the violence that already broke out in Ciskei.

There are going to be a great many negative images as well as positive images on the television screen and in the news about South Africa. We should be clear that none of what we see should dilute our resolve to see the democratization process through, and that this is a time for a great deal of patience and understanding.

The minister spoke of the reception which Canada received in Lusaka and the honour which has been brought to Canada. I would like to emphasize that the honour which has been brought to Canada and the honour in which Canada is held by the leadership in Africa with respect to the anti-apartheid struggle is due in large part to a variety of Canadians all across the country; and to non-governmental organizations, churches and coalitions that have been struggling along for years trying to bring attention to this problem.

In many respects, without wanting to be too partisan about it, they have been pushing governments to take the lead and to do more. Certainly, their work has paid off in what the Canadian government has done so far and what we hope the Canadian government will do in the years to come. It is because ordinary Canadians have been seized with this issue and have refused to drop it that governments over the years have been forced to pay attention to this issue. It is no less so in the United States of America where black Americans have made this an issue which has forced successive American governments to pay attention. In this respect I was glad to see that there was a relative absence of self-congratulation in the statement. The credit that has come to Canada in terms of the anti-apartheid struggle is a credit that belongs to a great many Canadians and belongs more to the people of Canada than to any particular government.

I was also interested to see the theory of history embedded in the minister's statement when he said that Mr. Mandela had persuaded him that history was not the result of impersonal forces, and that sometimes people can make a difference. I think that is true.

Unfortunately, I feel that way about our country at this point, only on the opposite side of the fence. I feel that way about the Prime Minister. I think that had we a different person in charge of the country, the country might have a better chance of surviving. But persons do make a difference. In this case it is a negative one.

I would like to say a word about support for the ANC. I am aware of the arrangements being sought by the minister with the three political parties in Canada. I presume that will proceed to some kind of conclusion. But the minister made an interesting point when he said that successive Canadian governments have refused to support political parties in other countries. I think that is a worthy tradition. The government should have used that principled position as a basis on which to criticize the action of the United States in Nicaragua when it chose to fund a political party outside the United States of America, in this case the opposition which recently won the election. The minister will know that I asked him to do that in committee. I still have not heard any words of criticism in that regard. If this is a principle worthy of upholding in Canada and by the Canadian government, perhaps it is something we should suggest to our neighbours.

With respect to Namibia I would like to begin by congratulating the great many Canadians who have been involved in that struggle and, of late, those many RCMP officers who I am sure had an incredibly different experience in Namibia, some of whom recently received an award as a result of their work there. Perhaps some day members of Parliament might have an opportunity to sit down with some of the officers who served there. I think it would be a good idea to get a feeling for the experience they had.

Namibia is one of the great successes of the United Nations, of the international community and of reconciliation. I remember coming out of Namibia in September feeling myself that this thing was going to work, and that the only thing that might cause it not to work was people continuing to mistrust each other. There were certain people who could not believe that South Africa might actually allow this thing to happen. There were other people who could not believe that SWAPO would not think up some devious, violent scheme to intimidate voters in particular areas of the country.

I think those of us who came out of Namibia at that time had the feeling that people had come to the point where they were willing to trust, willing to forgive in many respects, and willing to take a chance on the future. That worked. I hope that is the kind of spirit

which is now informing and instructing the change in South Africa. Indeed, I hope it is the kind of spirit that is informing and instructing what is happening in other places around the world where people are seeking their freedom.

I am thinking now of Lithuania where I happened to have a chance to be just a week and a half ago. I think a similar kind of spirit exists there, a spirit that I hope Mr. Gorbachev will respect when the day finally comes—as I am sure it will—when the new Lithuanian Soviet makes some declaration or move toward independence.

The Namibian example, if you like, cannot be uncritically transferred. However, it is a model that needs to be adapted to a variety of different situations whether in Cambodia—

Mr. Prud'homme: Palestine.

Mr. Blaikie: I hear an hon. member saying the Middle East. I wonder if the minister had an opportunity to meet with Mr. Arafat when he was in Lusaka to discuss with him events in that part of the world where we know so much work needs to be done. The spirit that seems to be motivating and helping to resolve so many other conflicts in the world has yet to really manifest itself in the Middle East.

Perhaps if the minister had the opportunity he could say either in the House or at some other point whether he had a chance to talk to Mr. Arafat at that point. Watching the news we saw on the same screen the Secretary of State for External Affairs, Yasser Arafat and Nelson Mandela. Considering all the things I have heard in the last ten years said about the NDP when we got up to say encouraging things about these characters and when I consider some of the things said by the minister himself, I sometimes wonder how fast the world can change.

It is not just in the Soviet Union; it is right here in Canada. People are embracing and hugging people with respect to whom they were formerly quite critical of others for even saying good things about them.

A great many good things are happening in the world. Namibia is one of them. We hope that as a result of the release of Nelson Mandela that South Africa will be added to that list and subsequently many others as the world finally comes to the realization that W. H. Auden was right when he said that we must love one another or die.

Some hon. members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, I rise on a point of order. I do not want to establish a precedent. However, a question was raised with regard to Walvis Bay. If the House is agreeable, I would be prepared to report very briefly on conversations with respect to Walvis Bay.

Mr. Blaikie: And Mr. Arafat?

Mr. Clark (Yellowhead): And Mr. Arafat.

Some hon. members: Agreed.

Mr. Clark (Yellowhead): I did discuss the question of Walvis Bay with both representatives of the government-elect of Namibia and with representatives of South Africa present in Namibia.

I have the impression that the matter is under fairly active discussion between the two parties. I had the impression that neither wanted it to become again, at least for the moment, a matter of active public debate. Thus I did not push it publicly.

• (1540)

The position of Canada is clearly known by both sides, which is that Walvis Bay belongs to Namibia. I think the House would agree that the best way to resolve the problem is by agreement between the parties, and that may well be under way.

Among the people at the meeting to greet Mr. Mandela at, I think, the specific invitation of Mr. Mandela, was Mr. Yasser Arafat. I took the opportunity to speak to him briefly to encourage the PLO to continue the course of moderation that it has demonstrated in the Middle East.

I also indicated to him that I thought it would be helpful if he would take one further step along that path of moderation and lead to the withdrawal of Article 19 of the Covenant of the PLO.

It was not a lengthy conversation, but I thought it was useful to take advantage of our presence there together to exchange words.

Mr. McLean: Mr. Speaker, I wonder if there would be agreement of the House for me to make a brief comment as one who has lived in Africa and who has been following this issue.

Some hon. members: No.

Mr. Speaker: There does not seem to be agreement.

CONFERENCE OF SPEAKERS IN ZIMBABWE

Mr. Speaker: Pursuant to Standing Order 34, I have the honour to present to the House a report on the meeting of the Conference of Speakers and Presiding Officers of Commonwealth Parliaments held in Zimbabwe on January 7 to January 12, 1990, in both official languages.

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

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—TABLING OF 33RD REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the thirty-third report of the Striking Committee.

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

* * *

[*English*]

STANDING COMMITTEE ON ENVIRONMENT

AUTHORIZATION TO TRAVEL

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I have two motions for unanimous consent approval of the House.

First, I move:

> That seven members of the Standing Committee on Environment be authorized to travel to Vancouver, B.C., March 19 to March 23, 1990 to attend the Globe 90 Conference, and that two committee staff members do accompany the committee.

Mr. Speaker: The House has heard the terms of the motion. Is there agreement?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

THE PARLIAMENT OF CANADA ACT

CONCURRENCE OF 2ND REPORT OF SPECIAL COMMITTEE

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I will now move the second motion:

> That the Second Report of the Special Committee on the Review of the *Parliament of Canada Act,* presented to the House on Friday, February 16, 1990, be concurred in, with the exception of that section of the report entitled «Procedures Relating to the Execution of Search Warrants» which shall be referred back to the special committee for further study and report.

Mr. Speaker, with your leave, I may add that concurrence in this report will have no legal consequences and does not change the Parliament of Canada Act. Nevertheless, we hope that the principles set forth in this report will guide the Board of Internal Economy when developing financial policies that affect Members' activities.

Mr. Gauthier: Mr. Speaker, there has been consultation, and I an confirm that the Official Opposition agrees with the motion put forward by the minister. We also agree that the motion as drafted has no legal consequences and does not change the Parliament of Canada Act.

[*English*]

Mr. Angus: Mr. Speaker, I wish to confirm that there has been detailed consultation on the motion put forward by the deputy House leader. I wish to indicate that my caucus supports the motion and the statement made by the minister in moving the motion.

[*Translation*]

Mr. Speaker: Does the minister have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

[*English*]

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

Some hon. members: Agreed.

Motion agreed to.

Routine Proceedings

PETITIONS

SOCIAL PROGRAMS

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I have two sets of petitions to present to the House. The first is to indicate that names are still coming in from citizens of Canada regarding the clawback of the old age pension and the family allowance.

I have 47 more names to add to the thousands that have already come in from the city of Regina in which these citizens humbly petition the House that this clawback undermines the fundamental principle of universality of Canada's social programs and discriminates against recipients of Old Age Security and family allowance benefits by making them bear an unfair burden of tax irrespective of geographical location or other factors.

Wherefore the undersigned petitioners pray and call upon Parliament to abandon this proposed measure which singles out Old Age Security and family allowance benefits.

VIA RAIL

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I have 15 further petitions on another matter which will not die and which will remain alive for many years to come in which some 1,238 Canadians petition Parliament to rescind the cuts to VIA Rail, to re-equip VIA Rail and to allow it to function in a manner which will allow it to succeed. These reductions in budget and service could lead to the disappearance of one-third of Canada's railway system.

They therefore request Parliament to maintain VIA Rail as Canada's present national network, to upgrade the system with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

GOODS AND SERVICES TAX

Mr. Derek Blackburn (Brant): Mr. Speaker, I too, rise under the provisions of Standing Order 36 with petitions containing several hundred names of petitioners from various parts of Ontario, mainly southwestern Ontario, who are totally opposed to the GST.

They call upon Parliament to reject the current proposal for a goods and services tax. In addition to that they want reform of the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

I therefore present these petitions on their behalf. They have been certified by the Clerk of the Table.

BILL C-43

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I, too, rise under the provisions of Standing Order 36. The petition of the undersigned residents of Ontario who number over 800 humbly show that each and every child is a unique human being and deserves to be protected by law from the first moment of his or her life and that Bill C-43 would legalize the killing of unborn children and give to them no real protection under law, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to defeat Bill C-43.

EXTERNAL AFFAIRS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 it is my duty and honour to table more petitions on behalf of a Canadian citizen, Mr. Yih-Sheh Leo, who was arrested unlawfully and imprisoned in Taiwan. These signatories are in addition to the thousands of others that have already been tabled in this House.

• (1550)

The petitioners urge the Canadian government to take immediate and effective measures to secure Mr. Leo's release, including some of the following steps that they want this government to take: one, issue a public statement expressing Canada's concern over Canadian citizens' rights being violated; two, instruct the Canadian embassy in Japan or the High Commissioner's office in Hong Kong to send a representative to Taiwan; three, appoint a lawyer to handle his case; four, request Canada's allies which have representatives in Taiwan to assist with the case.

The petitioners are disappointed that the government has not responded to previous petitions. I ask through you, Mr. Speaker, to seek the government's immediate action in this case.

BILL C-43

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a number of petitions to table this afternoon. All have been certified correct by the Clerk of Petitions.

The first one is signed by 29 residents, primarily of the community of Thunder Bay which I represent, but also includes the former member for Oshawa, Ed Broadbent who has signed it as well.

The petitioners humbly pray and call upon Parliament to reject any proposed restrictive abortion law and to enforce the Canada Health Act by withholding transfer payments to provinces that do not provide universal access to abortion services.

I might add that my son, Adam, also signed that petition. It is a nice thing to know that one's child follows in his father's footsteps.

GOODS AND SERVICES TAX

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a number of petitions signed by residents, primarily of the riding of Thunder Bay—Atikokan, all dealing with the proposed goods and services tax. These residents who have signed the petitions at the Top Buckle Ski Shop, the senior citizens apartment on Donald Street, Johannen's Variety, Art's Junction, Thunder Bay and the Atikokan Legion all call upon this government to reject the goods and services tax and to find a more appropriate way of raising government revenue.

RCMP DRESS CODE

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I have the honour today to present some petitions with the signatures of 15,323 people. They have been certified under Standing Order 36. These people come from Alberta, Saskatchewan and British Columbia and want to retain the uniformity of the RCMP uniform.

These petitioners humbly pray and call upon Parliament to preserve the distinctive heritage and tradition of the RCMP by retaining the uniformity of the dress code with all the recognizable colour and trappings that have such great historical value for this country. The pride and *esprit de corps* should not be jeopardized by any concessions to religious or ethnic minorities which result in changes to this truly great police force and its proud traditions in uniform.

This brings the total signatures for these petitions that I have presented in the House to over 140,323.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, pursuant to Standing Order 36, I wish to table a petition from Matagami concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Matagami is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient as it concerns the northern tax benefits system. It offers no encouragement to people in the North and no incentive to make use of northern resources.

[*English*]

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it is my pleasure to present a petition signed by dozens of constituents in Kingston who are opposed to the goods and services tax proposed by the government.

They call upon Parliament to agree with those of us who sit on the opposition side of the House to oppose the goods and services tax, to reject the goods and services tax and to vote the bill down.

I know that in presenting the petition some of my colleagues on the other side of the House are facing pressures from their constituents to follow our good example and do likewise.

VIA RAIL

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a number of petitions to present certified correct under Standing Order 36.

The first one has to do with the continuation of the VIA Rail service. As I pointed out before, this is a timely petition since Vancouver Island has been able to retain, through court action, the VIA Rail service on Vancouver Island by having the Supreme Court of B.C. declare that this is a condition by which British Columbia entered Confederation and that should Canada decide to cancel passenger service there it would be a unilateral breach of the terms of union and B.C. would end up out of Confederation.

These petitioners are calling on the government to eliminate the reductions in budget and service and improve the Vancouver Island version of VIA Rail.

GOODS AND SERVICES TAX

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I also have two petitions relating to the goods and services tax from various points in my constituency on Vancouver Island in which the petitioners call on the government to do away with the goods and services tax and to bring in a tax which is more fair in its application rather than taxing the poor and consumers more heavily than the rich.

That petition is signed by approximately 150 to 200 people, adding to the thousands of petitions I have presented in the past on this issue.

FORESTRY

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a third petition which relates to the forest resource development agreement that is in danger of being scuttled by this government and yet has provided needed forest restoration in British Columbia and also needed jobs in the forest industry in British Columbia, plus the prospect of jobs in the forest industry in British Columbia's future by replanting our forests and making sure that we have a thriving stand and a solid working forest in that province.

NUCLEAR FREE ZONE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a final petition that calls on the government to set up a nuclear free zone in British Columbia that would allow no ship carrying nuclear weapons to be given access to our ports and waterways, that the designation include passages through our waters en route to Nanoose Bay and in all the waters around the Canadian Forces maritime experimental and test ranges near Nanoose Bay, British Columbia, and that all governments be required to provide, in advance of their arrival, assurance that ships visiting our waters carry no nuclear weapons and have no nuclear reactors on board.

Unfortunately, Mr. Speaker, I have no record of this petition being certified, but I am sure it would be supported unanimously by this House.

TAXATION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have a petition certified by the Clerk of Petitions pursuant to Standing Order 36. It is my pleasure and duty to table this petition in the House which is signed by residents of my constituency, particularly from the communities of Edam, Saskatchewan and Big River, Saskatchewan, who attended meetings that I held in those communities.

The petitioners note that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower and middle-income taxpayers to bear more of the national tax burden.

The petition calls on Parliament to reject the current proposals for the goods and services tax and to reform the taxation system so that there is an effective minimum tax for wealthy individuals and corporations.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, question No. 241 will be answered today.

[*Text*]

PURCHASE OF AUTOMOBILES FOR THE OPEN SKIES CONFERENCE

Question No. 241—**Mrs. Gaffney:**

Did the government purchase any automobiles for the Open Skies Conference it hosted in February of 1990 and, if so (a) what number (b) at what cost (c) what will the government be doing with the automobiles now that the Conference is over (d) if the government intends to sell the automobiles (i) to what persons (ii) in what locations (iii) on what dates (iv) at what cost will they be sold?

Hon. Paul Wyatt Dick (Minister of Supply and Services): No automobiles were purchased for the Open Skies Conference.

However, sixty-five Chevrolet Lumina sedans and fifteen Chevrolet vans were leased from General Motors of Canada Limited for the total sum of $1.00. All vehicles will be returned to General Motors for their inventory.

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the parliamentary secretary has been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

FEDERAL BUSINESS DEVELOPMENT BANK

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Motion for the Production of Papers No. 19.

P-19—Mr. Boudria—November 24, 1989

That an Order of the House do issue for a copy of the current list of all companies, strip clubs and other similar establishments to have received funding or loans directly or indirectly from the Federal Business Development Bank since 1972.

Mr. Cooper: Mr. Speaker, the document requested cannot be released under the Federal Business Development Act, Section 37(2) and the Access to Information Act, Sections 19 and 20, and the Privacy Act, Section 3, which preclude the release of information which is not general in nature and which, by its release, could allow or result in direct personal financial gain or loss by a person or a group of persons.

All the bank's relationships with its clients are commercial and as such are subject to the commercial confidentiality principles implied by the above sections.

I therefore ask the hon. member to withdraw his motion.

• (1600)

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that the Notice of Motion for the Production of Papers No. P-19 be deemed to have been adopted?

Mr. Cooper: No. I ask that it be transferred for debate.

The Acting Speaker (Mr. Paproski): Transferred for debate?

Mr. Milliken: Mr. Speaker, I rise on a point of order. As the parliamentary secretary knows, the hon. member for Glengarry—Prescott—Russell is away today.

The point I want to make is that this request for details of funding is surely in part public. Mortgages are registered as security for this funding in most cases. The hon. parliamentary secretary must know this and surely, if the mortgages are public documents, there is no reason why the parliamentary secretary should not give the answer.

The Acting Speaker (Mr. Paproski): I believe the hon. member wishes to have it transferred for debate. He can make his points then. Thank you.

I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 33 minutes.

Mr. Milliken: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Kingston and the Islands on a point of order.

Mr. Milliken: Mr. Speaker, some three weeks ago, on February 14, I rose on a point of order in connection with these Motions for the Production of Papers and I pointed out that these matters have been long delayed.

One of the earliest of my notices was placed on the Order Paper on October 25. The parliamentary secretary made an undertaking. I could quote his words. I do not think it was just because it was Valentine's Day that he was so pleasant, but he said, as reported at page 8324 of *Hansard*:

I think the member has made a reasonable request.

And I thought I had too. He continued:

I will investigate to make sure that my hon. friend gets a very decent answer to his question, and I will get it for him as soon as possible.

I have been patiently sitting here since February 14, three weeks ago, and I still have not received any response whatever from the kind-hearted parliamentary secretary. I know that he would not want to participate in a cover-up, but I suggest that the denial of information to Parliament effectively is a cover-up of the government's program. They have an obligation to answer to Parliament and give us this information. We are not getting answers at all. We have only had one dealt with

today and the notice was put on the Order Paper for that one on November 24.

I respectfully request the hon. parliamentary secretary to give the House the information to which we are entitled. In fact, for the one he has dealt with today he has refused the information. I think it is evidence of an attempt by the government to cover up the facts and to stop Parliament from having access to the information that Parliament is entitled to have.

Mr. Cooper: Mr. Speaker, after listening to the hon. member I am a little confused. Was he referring to his Question No. 214, or was he referring to Motions for Papers P–16 and P–18?

Mr. Milliken: I am referring to Motions for Papers P–16 and P–18. Those are the same motions I referred to in my point of order on February 14, Valentine's Day, when the parliamentary secretary was so kind–hearted.

Mr. Cooper: Mr. Speaker, I am sure I was kind–hearted because it was Valentine's Day and I was thinking of my sister who celebrates her birthday that day. It put me in a very good mood.

The bottom line is that in looking at the information I have it looks as though those two motions should be dealt with fairly soon. I gather that they are with the chiefs of staff from the two departments and I should be seeing them relatively quickly. I will do my best, as I always do for this particular hon. member, to try to get them in as quickly as I can.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, March 6, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government.

Mr. Milliken: Mr. Speaker, I rise on a point of order.

This is a debate on the budget, as Your Honour has heard, the principal financial statement of the government, and there is not a single member of the government in the House to hear this debate. I think it is an outrage and they have an obligation to be here.

Mr. Cooper: Mr. Speaker, two people can play the game when we get into the question of absence of members of the House of Commons. Even though he has not been here that long, the hon. member has a lot of parliamentary experience. He knows that comment is out of order.

Second, I also want to say to the hon. member that we have been dealing with petitions and a number of things. We will have our ministers here in the House to make sure they listen to this important debate, because we believe it is important.

Mr. Gauthier: Mr. Speaker, just to re–emphasize the point. Indeed, it would be nice if a minister of the Crown could listen to one of his own members, who is commenting in a debate that is of very great importance to Canadians, the budget. We would like to have one minister in the House; two if they could. That would be ordinary and customary.

Mr. Cooper: Mr. Speaker, I want to assure my friends that it a custom that we always try to accommodate. I have certainly sent out word to get in a couple of ministers.

The Acting Speaker (Mr. Paproski): I think we can carry on with debate with the hon. member for St. Catharines.

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I might indicate that my intention is to have a 10–minute speech and a 5–minute question and answer period and share my time with one of my colleagues.

I am pleased today to take part in the debate approving in general the budgetary policy of the government. This is the sixth budget brought in by the Minister of Finance, and he has continued his record of fiscal responsibility to deal with the legacy of debt left by the previous administration, while at the same time creating the climate for non–inflationary economic growth.

As a result of policies aimed squarely at spending restraint, the government has reduced the deficit from its peak of $38.3 billion in 1984 to $30.5 billion in the last fiscal year. That is a decline of almost $8 billion, and this

decline is to continue. Just as important, direct borrowings of the Government of Canada in capital markets are also down about $8 billion since 1984.

In the April 1989 budget the government set out a five-year plan to cut the deficit in half by 1993-1994, to eliminate government borrowings in capital markets after that year, and to begin to pay back government securities, Government of Canada bonds, and other debt instruments securing the debt.

This budget confirms the fact that we are still on a course to meet the goals set out in the last budget. First, it will ensure that the deficit continues on a downward track. Second, it will help to create the conditions needed to ease inflationary pressures. This will lessen the burden on monetary policy and increase the scope for interest rates to come down. Lower interest rates will contribute to further reductions in the deficit, and this will set the stage for the economy to make the transition to strong, sustained growth.

There are three basic points I wish to speak to with regard to the budget. They are interest rates, government spending, and the impact this budget will have on my home province of Ontario. As I mentioned previously, and contrary to what those across the House would say, the high level of interest rates is only a symptom of the over-all problem we face in Canada. The real problem is the underlying inflation which drives up interest rates. There is no magic wand with which to lower interest rates. This would only serve to fuel inflation, thus compounding the problem. If we do not deal with these inflationary problems at this point in time, we could see a return to the economic conditions which persisted in the early 1980s. This includes the recession we know so well that was created. The painful lesson of despair, sinking confidence at home and abroad, and the personal hardships endured by all too many Canadians during that period will not be repeated.

There are may people in my region concerned with the high interest rates. The automobile manufacturers see the high interest rates and the resulting high value of the Canadian dollar as a very real impediment to their ability to compete in the car market. People who work in the construction industry see residential housing and all of their projects affected by high interest rates. Some would even say that the high value of the dollar concerns those merchants who see individuals going to the United States seeking better bargains. These people would like to see interest rates reduced immediately, but they do not want to see the return of the spectre of inflation and high interest rates approaching 20 per cent, haunting them again as it did in the early 1980s. They want to see the cause of high interest rates removed in order that rates will come down and stay down and that their future security will not be threatened. Non-inflationary growth is the goal that this budget helps to accomplish.

• (1610)

The government has set in place a number of policies in order to expand the potential of the economy for non-inflationary growth. This budget with its emphasis on expenditure control, as well the policies of privatization and deregulation, the free trade agreement, the retraining programs under the Canadian Jobs Strategy, and the replacement of the manufacturers' sales tax with the goods and services tax will result in the potential growth of the economy expanding to 3.25 per cent to 3.5 per cent from the present 2.75 per cent which existed in 1984. Without these changes there was even a danger that the potential for non-inflationary growth in the economy would contract.

Intertwined in this entire matter is the question of expenditure reduction in order to deal with the annual deficit and ultimately the national debt. The national debt is approaching $350 billion and interest on that debt for the current year will be approximately $41.2 billion. Over the last five years the government has managed to turn the deficit in program spending to a surplus of approximately $13 billion. The deficit this year will be $28.5 billion. The budget sets us on a course to continue reduction in this annual deficit in order that we can provide more flexibility to the government to protect programs that Canadians desire.

Presently we spend approximately 35 cents of every tax dollar taken in on interest on the national debt. It is generally acknowledged that approximately 80 per cent of the debt is held here in Canada by our own citizens. However, we still have to this debt to those individuals who hold Canada bonds, treasury bills and other Government of Canada securities. This results in an income

redistribution program from the taxpayers to those individuals who can afford to buy the Government of Canada securities. This is obviously a type of income redistribution that no one in the country wants. If this process were allowed to continue we would see the government merely taking tax dollars from its citizens and repaying it to individuals who can afford the securities. We would not be able to fund the programs which Canadians want and we would not be able to provide any new programs such as those for the environment, child care, or any other area. The only way continue to attack this problem is through expenditure reduction. The budget tabled by the finance minister is aimed at achieving these goals. It reflects what is necessary in Canada today, living within our means. We cannot continue to spend money we do not have.

These expenditure reductions are being shared by all individuals in Canada. This causes difficulties for people everywhere. The easy course would be simply to continue spending and as a result increase the annual deficit and the national debt and put the day of reckoning on the backs of our children. I do not want to leave that legacy to my children. It is difficult, but I was not elected to be representative of convenience, supporting only those policies that are currently popular and easy. We have to look to the future and ensure that it is a bright one, not clouded by debt inherited by these children from their parents, with the added responsibility of supporting their parents as well. It is incumbent upon the government to take a leadership role and follow a course of action that is responsible both to the people we represent and to future Canadians.

The expenditure control plan outlined in the budget is designed to spare those individuals who personally cannot afford to see transfers reduced. Examples are old age pensions, spouses' allowance pensions and the unemployment insurance program which are exempt. Also exempted are the equalization program and Canada Assistance Program transfers to those provinces receiving equalization. There has also been a freeze in EPF funding. The provinces of Ontario, British Columbia and Alberta are being asked to shoulder a larger proportion of the expenditure reductions at the present time because of their more prosperous positions. Ontario must bear its share of the load because it stands to benefit greatly from a healthier national economy.

Ontario has a great responsibility within Confederation. The debt is a national problem and the country is counting on Ontario to help with its share of this burden.

Since the government took office it has been totally committed to being responsible with spending from the public purse. In that light, it is quite frustrating to see Ontario increase its spending in the last five years by close to 10 per cent per year and increase its public service by over 7,000 individuals, while the federal government has held its own spending to about 3.6 per cent per year over the same period and reduced its Public Service by 12,000 person-years to levels equal to those of the 1970s.

As I mentioned previously, the federal government is paying 35 cents of every revenue dollar just to cover the debt charges.

Critics have said that the freezing of the EPF funding will have a negative impact on the areas of health care and post-secondary education. It is interesting to note, however, there have been no conditions attached to this funding since 1977. The province is free to allocate the money in any manner it wishes. It cannot be said that it goes directly to health care or to post-secondary education when one realizes that the spending of the Government of Ontario increased at the rate of 10 per cent per year. I am sure that they will not have to increase their taxes or increase their deposition, but they can follow the lead of the federal government and cut their expenditures and reallocate their priorities in order that health care and post-secondary education receive the commitment that it should.

The other important fact for Ontario residents is that no new taxes have been proposed in this budget. My constituents have been quite clear in their expectations that expenditure reductions be undertaken and that taxes are not to be increased. The Minister of Finance has definitely listened to the people.

The overriding concern in the country today is the deficit and the national debt. Some people say that the government is preoccupied with this problem and they want to return to the easier, more comfortable days when the government simply ignored the matter and continued its spending and put off the day of reckoning to another generation. This is the easy way out. We cannot return to those policies without inflicting a great deal of damage on the country. This budget illustrates that this government is prepared to stay the course, to see the reduction of the deficit and the ultimate repay-

ment of the debt. This is the only action that will ease the inflationary pressures in the economy in order that interest rates can be reduced to an acceptable level, secure programs which Canadians value and set us on a course for sustained growth. This is the type of economic conditions which all Canadians want to create, and they want to see the leadership and courage necessary to ensure that these goals are attained.

This budget will take us into the next century in a strong position to take advantage of the increasingly competitive climate to which we are proceeding in the world. We do not want our children to look back and ask the question why we did not have the courage to deal with the problem when we knew it existed. Indeed this budget shows the courage to make the tough decisions and to do what Canadians have asked: be a government that looks into the future and implements the policies necessary to secure that future.

Mr. Joe Fontana (London East): Mr. Speaker, I was most interested in my hon. friend's comments. I do not know how he can some of the things that he did with such a straight face, because I am not sure that Canadians are buying it. I have a number of questions for him. Perhaps he could answer them more specifically.

The member talked about this budget and its assumptions. Every major group in this country has questioned the very assumptions that this budget talks about, namely interest rates at 11 per cent. The member knows that current interest rates are 13.5 per cent, that growth rates are unrealistic and that the Minister of Finance has admitted the budget will increase unemployment rates.

Five budgets ago the same Minister of Finance had indicated that if everything had been as he predicted in 1985, the annual deficit would be $15 billion today. Yet we know that he was dead wrong then and is dead wrong now, because we still have a $30 billion deficit.

I wonder if the member could also answer for me why he believes—and he comes from Ontario—Ontario should be penalized. Is it because it is doing such a good job, because it has a surplus in its budget or, as he indicated, because it is spending too much? Which is it? Why penalize the prosperous parts of Canada that in fact make it possible for this country to provide services to the rest of the country?

How could he say to the Canadian people that there are no new taxes in this budget when it specifically mentions the GST to the tune of $1.9 billion and also mentions those other tax measures that were in previous budgets, such as the deindexing of family allowances, personal exemptions, and so on?

I wonder if the member would be good enough to give the straight facts to Canadians.

The Acting Speaker (Mr. Paproski): The hon. member for St. Catharines has two minutes.

Mr. Atkinson: Mr. Speaker, I would be happy to answer the member. Ontario has not been penalized in this budget.

Mr. Fontana: A 5 per cent cap; that's a penalty.

Mr. Atkinson: Ontario has been asked to share in the consideration of the reduction of the problem. Ontario has had its spending increased by an average of 10 per cent over the last five years, every year. Obviously a period of restraint would have been in order. Why did it increase the public service by 7,000 people? It was not necessary. All these programs have come into effect. It seems that whenever a Liberal government gets into office the spending starts all over again.

• (1620)

It was very interesting to read the results of the debate that occurred Monday night, how the Minister of Finance was up against the representative from the Liberal Party and how the editorial said that it was no contest whatsoever. It went on to say that there is no alternative to the GST being offered by the Liberal Party and asked what is going to happen? It certainly has not come out yet. We are still waiting for it. The editorial went on to say that getting the Liberals back into office and having a GST would be like giving matches to pyromaniacs. I think that is a fair characterization of what would happen.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I appreciate the opportunity to participate in the budget debate, particularly since I had the opportunity earlier this week, on Sunday evening and Monday, to be a participant in the

excellent national exercise put on by the Edmonton Chamber of Commerce, a national conference on deficit reduction.

There are three ways in which a country can lose its sovereignty: when it disintegrates internally or from external threat, when it loses its sense of self, or when it loses control of its economic agenda.

This government has put in place long-term strategies to meet each of those challenges. National reconciliation leading to Meech Lake which will bind our country together, honouring and nurturing our cultural institutions, and the agenda for economic renewal announced November 8, 1984 and followed since.

The Meech Lake Accord is at a crossroads of success. Beyond the text and principles of the accord itself the very idea of Canada is being questioned, not just Canada as we know it, because if any significant portion of our country does leave Canada is gone perhaps forever.

We have a fundamental debate going on. What is Canada? Why Canada? What price, Canada? We are at risk of losing our sense of self. We are constantly at that risk. We need a strong national broadcasting system, public, private, educational and community, to show each other to ourselves to foster a Canadian consciousness. We need to encourage in born Canadians the same awe, pride and humility demonstrated weekly in dozens of citizenship courts throughout the land by those who take the oath of allegiance. All of this is for nought if we lose our way economically.

The budget of February 20, 1990 is another logical step toward freeing Canada from the stultifying strait-jacket of debt which threatens to remove our freedom of purpose. If we had not taken stringent action on February 20 there is a scenario which overwhelms one. We would have had interest rates rising to the 13.5 per cent to 16 per cent range over the next two to three years. We would have had a $20 billion long-term overseas placement of debt which in itself would have required a substantial increase in the personal tax and/or extensive cuts in social spending and universality.

There are a great many challenges before us. They have been met in this budget to some extent, but I submit not to the fullest extent. We had measures affecting my own home province of Alberta. We had the announcement of the termination of the federal government participation in the OSLO project which does not necessarily signal the end of that project.

Mr. Fontana: The minister said it was gone.

Mr. Edwards: The engineering studies will continue and as proposed in the original OSLO agreement there will be a review in July 1991 to determine the economic viability of the project at that time.

I listened with interest to my friend from the Niagara Peninsula talking about the Ontario situation and the transfers to Ontario. Alberta is in precisely the same position as Ontario *vis-à-vis* this budget in terms of the transfer payments. Further to that, our two provinces are affected identically in terms of the elimination of the incentive program for the oil and mining industries. We are all sharing. We are asking the provinces to share in the burden that we have assumed ourselves at the federal level. The economic agenda has comprised the free trade agreement, the privatization initiatives and tax reform. My friends were just debating the question of the debate last Monday night which, again, was done under the auspices of the Edmonton Chamber of Commerce.

Mr. Gauthier: A select crowd at $100 apiece.

Mr. Edwards: The crowd was select. It was Canadians from coast to coast on national television.

Mr. Gauthier: Read the *Edmonton Sun*.

Mr. Edwards: Here is the verdict from a journalist of *The Edmonton Journal*, Mark Lisac, who is not known as a fan of the current Government of Canada. He wrote:

> The next time the Chamber of Commerce invites Finance Minister Michael Wilson it should have him pick on someone his own intellectual size, or somewhere close to it.

The article continued:

> Wilson did well on a radio phone-in show earlier in the day too. I don't know how the GST idea stands up after his visit to Alberta, but we sure saw a demonstration of political leadership.

With all the budget and all the tax reform there is an underlying concern in the nation. It is summarized in a letter I received in my office just the other day from a constituent who wrote:

> I wish to respond to your reply to my wife's McDonald's GST Coupon, which was an eye opener for myself.

> Subsequent to your explanation I have jumped off the "Band Wagon" of resistance to the GST in view of my enlightenment.
>
> Because I was not aware of all the factors and considerations associated with MST and the GST I naturally resisted change and seemingly unwarranted tax. After discussion with my wife and with an urgent desire to protect our children's future we have decided that we would prefer to see GST applied to restaurant meals at a higher rate rather than having a higher GST rate applied to basic groceries and goods. We do appreciate the need for GST if our commitment to lower the deficit is sincere.

There is the nub of the entire debate. My sense of the mood across the country, particularly in Alberta, is: "Look, we will support this idea of tax reform if you folks are serious about wrestling the deficit to the ground". That was reinforced by the work of the national conference on deficit reduction held on Sunday and Monday of this week.

The summation of the findings of the various committees of that conference was as follows. On the issues of government administration, the advice of Mr. Joe Martin, the rapporteur of that particular committee, was that government should get out of operations and back into governing; that all Canadians should recognize, all of us, the limits of government; that there should be an elimination of duplication among levels of government; that certain privatization initiatives should take place, such as the privatization of airports; that the following services should be contracted out: tax collection, prisons and payrolls; and that consideration should be given to turning Public Works Canada and Supply and Services Canada into Crown corporations in order to put their operations on a more rational basis.

The distinguished economist Dr. Maureen Farrow reported on social programs. She came to the observation that many of the programs which we have in place today were founded in the 1960s and met a 1960s situation. They were programs designed to frustrate regional adjustment to a dynamic economy. She said that incentives must encourage adjustment and universality should be amended and shifted to targeting. She favoured addressing the insufficiencies and the inefficiencies in such programs as health care. As well, she felt that all social programs should be capped as of today in current dollar terms, that governments should then re-allocate the diminishing thought using in-house skill sets, that time and notice should be given to Canadians in pension schemes so that they could make adjustments to real market conditions. No more indexation, said she, and all Canadians should begin to manage their expectations.

An hon. member: It must have been a Tory caucus meeting.

Mr. Edwards: No, this was not a Tory caucus meeting. This was a national conference on deficit reduction.

The summation of the conference was given by the distinguished management consultant and financial adviser, Mr. W. D. Grace, who chaired the economic affairs committee. He concluded that the Government of Canada should immediately put a cap on spending at the current $103 billion, that there should be appointed a non-profit broad-based body to publicize the deficit to condition Canadians to the problem that is before us, the threat of the debt, and then evaluate and publicize all items of government spending. I believe that the Auditor General would be of great assistance in this regard.

• (1630)

I summarize the findings of the National Conference on Deficit Reduction held in Edmonton this week to indicate to friends, particularly friends opposite, that it is not a grinch budget that we have before us, but rather that a strong body of Canadians are calling for a further diminishing of the expectations of Canadians and what the Government of Canada does for them and to them.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in all fairness, my friend from Edmonton quoted a couple of articles from the Edmonton newspapers. I know he has read the poll that was done by the Edmonton *Sun* in Edmonton, of Edmontonians, and the verdict was that indeed the critic for the Liberal party won the debate hands down. Eighty-nine people said "yes", at least 50-some said "maybe, Mr. Wilson", and the others were not too sure.

I want him to be honest and fair with us and tell us that indeed the press does have this balanced view and approach to the news. As a former broadcaster I know he would want to be fair. Would he not agree with me that indeed the Liberal critic, The hon. member for Gloucester, indeed won that debate.

I have a second question for him. He talked about fairness. He talked about sharing and the fact that this budget addresses the problem of sharing among Canadians. Will he explain to me how a poor person living in Edmonton, a poor person living in Alberta, or one living in Ontario differs from a poor person living in the maritimes? Is not poverty equal all over the country and should be addressed in terms of poverty levels, not whether you live in one province or the other?

Mr. Edwards: Mr. Speaker, I appreciate the questions of my friend opposite. In response to his second set of questions, the whole idea of tax reform as we have it before us now is designed to impact favourably on lower and middle-income Canadians. It is a demonstrable fact which no one, including the renowned Liberal finance critic, has been able to rebut. Canadians with an income of less than $30,000 will be better off after tax reform than before.

Insofar as Albertans are concerned, as the Minister of Finance indicated in the debate on Monday night, the manufacturers' sales tax siphoned $685 per Canadian, per Albertan, out of the province of Alberta. The goods and services tax will mean a net increase of $5 for the average Canadian out of Alberta. But in terms of economic growth, and this is what our Liberal friends forget, the tax reform measures moving from the MST to the GST are the greatest net benefit to the province of Alberta, with projected economic growth of just under 3 per cent as opposed to the national average of something under 2 per cent.

My friend refers to polls that were taken following the debate. I was not aware of the one he refers to but I would refer him to the one taken by K 97, another distinguished Edmonton medium, which found that 98 per cent of those who watched the debate found that they did not believe the Liberal finance critic. They did not believe him, let alone saying who won the debate.

Now, if you were to examine the Edmonton Convention Centre floor you would find that even the most distinguished caretaking and custodial staff have not been able to remove the gore of the Liberal finance critic from that floor.

Mr. George Proud (Hillsborough): Mr. Speaker, I am pleased at the opportunity to express my concerns regarding this budget.

Along with my colleagues I am honoured to represent in this House the voice of Canadians whose needs and concerns have been ignored by the government in its plans. When I look over this budget I see negative, regressive policies in almost every area. What really jumps off the page is the way that a supposedly national government is making the most vulnerable groups of Canadians bear the brunt of its mania to cut the deficit. These groups include veterans, women, natives and people who live in geographically and economically isolated regions of Canada.

The Minister of Finance is very fond of telling Canadians that we must all join in the effort to cut the deficit and the public debt. Average Canadians suffered under last year's budget and will continue to suffer under this year's budget as well as under other policies introduced by this government.

My colleagues on this side of the House have done a very thorough job of showing how this budget will hurt Canadians without doing much to help our deficit and debt situation, so I intend for a few minutes to discuss several areas of special concern to me and my constituents.

While all Canadians view the government's policies and plans apprehensively, Atlantic Canadians have even more reason to be suspicious of this government's action. In the weeks leading up to the 1990 budget we remembered how our region was hammered in last year's budget. Having given our pound of flesh last year we dared to hope that the government would make some attempt to help the Atlantic region as it enters an economic crisis of unprecedented proportions. I refer not only to the fisheries crisis, but also to our high unemployment level, to the effects that the base closures and reductions are already having on our economic growth, to the slashing of our rail services, to the changes to the unemployment insurance program and to the fundamental sense of alienation on the part of Atlantic Canadians. We feel this way because we have seen no evidence during the past year that the government cares about this region. The failure of the government to include an Atlantic aid package in this budget plus its continued neglect of regional development only deepens the feeling of anger and of alienation.

Last year's budget promised continued high levels of regional development spending, but what followed was cut-backs to the Atlantic Canada Opportunities Agency, which the government tried to disguise by stretching ACOA's mandate without allocating more funds. Having seen through this smokescreen one can understand why Atlantic Canadians are suspicious of the government's plans for the continuance of ACOA. The recent budget announced that ACOA grants would be eliminated and that ACOA would only provide loans in the future. This was unacceptable, since entrepreneurs in the region need the government's support in their endeavours more than their counterparts do in central Canada, for obvious reasons. So, the government modified slightly its harsh stance by announcing that changes will be made in ACOA's project funding criteria, which will allow it to provide grants in some cases and which will raise the ceiling for direct contributions to projects. This is a positive move. However, to prove that it has a firm commitment to Atlantic development, the government must stop sending out mixed signals. Regional development policy is fundamentally altered on a regular basis. It seems to follow a patchwork strategy and constant change means that the Atlantic business community is always having to second guess itself. This is hardly a sound regional development strategy.

Atlantic Canadians are receiving very clear signals that the government is abandoning our transportation infrastructure. First, the government killed VIA Rail which is vital to a region which needs affordable, accessible rail travel.

Now it starts to whittle away at Marine Atlantic, the Crown corporation which operates ferry services in Atlantic Canada. Marine Atlantic will lose over $9 million in the next two years, a move which will result in either reduced services or higher fees, neither of which is good for passengers or business in this region. Prince Edward Island's economy in particular will suffer from this decision.

Another step in the government's abandonment of the region's transportation infrastructure is the cut-back in small craft harbours. The program will lose $29 million over the next five years. As well, the budget announces that the government will: "implement alternative management and operational policies for existing harbours". Are we to infer that this means the privatization of small craft harbours or higher user fees for fishermen? This simply cannot be borne. Our communities are already under siege.

"Under siege" is a good way to describe how all Canadians feel about the budget cut-backs in Established Programs Financing which contributes to provincial health care and post-secondary education.

• (1640)

If a budget is a symbol of a government's priorities and values then this measure is a sad comment on the soul of this government. The finance minister's rallying cry that we must all help to fight the deficit takes on a whole new meaning. He means that deficit reduction will be carried on the backs of the young and the sick.

Let me add my voice to the chorus of outrage against this government's appalling lack of compassion and respect for veterans. It cannot be stressed enough that Canadians owe these men and women a debt which can never be fully repaid. They fought or were willing to fight for their country only to see now the government which claims to represent that country turn on them. In our time of need they were there. Where is the government in their time of need? The government plans to charge board and lodging to approximately 1,500 veterans under long term care and it will increase the rates for those already paying. The government carries this outrage one step further by eliminating the heavy housecleaning program that helped veterans live in their own homes. This government intends not only to deprive veterans of affordable long term care but of their dignity and independence as well. Having already fought for Canada, veterans should not be enlisted in the so-called war against the deficit.

All Canadians are questioning why they have been drafted to fight a war that they did not instigate. The Conservative government has had six years of economic growth and increasing revenues, but we have also had six years of Tory mismanagement of Canada's economy and finances. Now, as the country slides into a recession, we are hit with another bad news budget. The Tories will say it could have been worse, and Canadians shudder at the very thought.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my hon. friend has raised many interesting points in his budget discourse. I have a comment and a question for him.

The debt that the government inherited in 1984, roughly $170 billion, of course has suffered the evils of compound interest over the years, and about 80 per cent of the additional debt that has been added is due to that interest factor. The debt, as we all know, now stands at around $350 billion a year which is appalling by all our standards. To service that debt this year will take interest of roughly $41 billion.

As has been pointed out in this Chamber this afternoon, that money mostly will be paid to Canadians. It will mostly be paid to Canadians who hold Government of Canada bonds and treasury bills. Now, these are not in general poor Canadians. They are generally wealthy Canadians. They are wealthy investors who have had the extra money to invest in treasury bills and bonds.

It seems to me that this is a massive transfer of money from taxpayers to wealthy investors. I do not understand why the opposition members are not hollering about this amazing transfer of wealth from the have-nots to the haves. They keep saying the Tories are doing things for their rich friends. But this is wrong. This is bad social policy to be transferring tax money into the bank accounts of the wealthy.

Would my hon. friend not agree that this practice has to end quickly? If he does not accept the government's way of doing it, what is his alternative?

Mr. Proud: Mr. Speaker, I thank my hon. friend for his comments and questions. As we talk about ordinary Canadians and wealthy Canadians, there are many ordinary Canadians who buy Canada Savings Bonds, and pick up money in this way.

My concern about the whole deficit reduction plan in general is, as I have said in many, many speeches in this Chamber, that we have heard this hue and cry every day about deficit reduction. We hear about putting more debt onto the middle and low income people. I still have not got an answer to the question that I have raised so many times, about why, when we went through a period of five years of great economic growth where the government had billions of dollars in surplus funds, we are in this deficit situation today.

Why was it not at least taken care of at that time instead of letting it grow so that that transfer of money to wealthy Canadians continued on through that period?

I know that ordinary men and women out on that street, everybody, is concerned about this debt. We wish that we could wave the magic wand, but I am afraid that is not possible. We all have to suffer this burden and do everything we can to bring it down.

My question over the last number of months has been why greater concern was not paid to this from 1984 to 1989. Suddenly, through no fault of the government in particular, the economy is going into a tailspin. Now, at all costs, we have to do things that we should not be doing at this time in our lives. We should not be raising interest rates. We are into a tight economic situation and at the same time the poor are taxed even further because we have to reduce this deficit. I just cannot understand why it could not have been done earlier when times were better.

Mr. Deputy Speaker: Questions and comments are now terminated. Debate. The hon. member for Winnipeg North.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the annual statement of the Minister of Finance reflects the mind and the heart of the government of the day. In this context, budget '90 reflects to Canadians the lack of candour of this Tory government and the uncaring attitude with which it treats the most vulnerable members of our society.

Where, one may ask, is the evidence? I refer my hon. colleagues to the statement of the hon. Minister of Finance. Referring to the expenditure control plan of the government, he said:

> In designing the measures we were sensitive to the financial circumstances of individual Canadians as well as governments. We have exempted major transfers to persons. These include elderly benefits, family allowances, veterans' allowances and unemployment insurance benefits.

The truth has to be fully said. This government has just finished hitting these programs this past year, and it has recently pushed through this House the clawbacks on baby bonuses and old age pensions and the unemployment insurance restrictions, despite great concerns raised by the Liberal opposition. Now this government has the gall to proclaim that it has exempted these benefits from the cuts in this year's incoming budget.

This is the first piece of evidence of the hypocrisy of this budget.

"There will be no new taxes in this budget", said the Minister of Finance. Does this government really think that Canadians can be made to believe that the GST which is becoming more properly known as the gouge and squeeze tax is not an inherent part of this proposed budget? All provincial governments have complained about this proposed tax measure. This government has responded by passing to the provinces the burden of greater expenditures to maintain their social programs at current levels. The provincial governments therefore face the unpleasant task of having to increase their own taxes. This is the second set of evidence of this government's hypocrisy.

Parenthetically, this government has in the last six years introduced an average of five different tax increases per year, now a total of 32 tax increases over this period of time.

The third piece of evidence for lack of candour on the part of this government is reflected in the action it took last December when it withdrew its promise to reduce the tax rate for middle income Canadians. On top of this the surtax was increased from 3 per cent to 5 per cent.

There are many more signs of this government's lack of candour. Due to the time constraints allotted to me, I can only discuss one more piece of evidence and it is very relevant to the question asked by my colleague from the government side to my colleague who just spoke before me.

The Tory government has portrayed the impact of our national public debt as though it entails the same burdens and dangers as the debts of private individuals and business companies, of provincial and municipal governments, and of a host of Third World developing countries.

• (1650)

The total national debt is not essentially the same as these other debts. Professor Ruben C. Bellan, an Emeritus Professor of Economics writing for *Policy Options*, issue of January–February, 1990, reminded us that only one of the categories of obligations comprising the total national debt truly corresponds to the types of debt I have alluded to above.

What are the facts? In 1988 the government paid the Bank of Canada $2.110 billion as interest on bonds it held. The bank, after taking into account its operating expenses for the year, handed over $1.938 billion back to the government. The government did not point out that it got back 92 per cent in revenue of the interest paid by the Bank of Canada.

The government also failed to point out that it collected a lot of revenue from the same Canadian public to whom it paid billions of dollars in interest on the bonds that Canadian taxpayers hold. They are not necessarily wealthy Canadians. A significant number of ordinary Canadians like to save with Canada Savings Bonds.

The Minister of Finance said:

> This year alone interest payments will cost us close to $40 billion, equal to $1,500 for each and every Canadian.

The minister failed to advise us that a significant component of this debt paid was returned to the government as revenues through the Bank of Canada or as taxes collected from Canadian bond holders. He failed to advise us that the government paid interest to non–Canadian residents on only 16 per cent of bonds denominated in Canadian dollars and that the debt owing to non–residents in 1988 which was payable in foreign currencies was only 4 per cent of the total national debt. Failure on the part of this government to fully disclose all essential financial information and analyses is tantamount to misleading the Canadian public, that is, that the total payment on interest are debts paid without corresponding government revenues.

In other words, the government magnified the fear in the belief that we could buy this budget even if it is a budgetary policy sans sensitivity and heart.

This government has used the absolute magnitude of the total national debt as an excuse to sell this heartless budget, invoking that ultimately we would not be able to pursue our social policies and programs.

As Professor Bellan points out, if one looks at the facts they contradict frequently made statements that the consequences of federal budget deficits are completely negative, "that they are responsible for high interest rates and inflation, that the government's borrowing to finance them 'crowds out' private borrowers from the country's capital markets."

The financial and fiscal history of Canada in recent times does not corroborate the assumptions of this government. The series of large deficits that has occurred since 1981 has been accompanied by a reduction in the Canadian rates of interest and inflation rate, and

by increases in the amount of capital made available to the private sector by the country's financial institutions".

In fact, when the record is further considered, it becomes obvious that large deficits have not severely limited policy options. Professor Bellan has correctly pointed out that "Canada's national debt has increased 70-fold since 1939 and interest payments are now 200 times higher than what they were in that year. Yet, in 1939 the federal government did far less for Canadians than it does today." Indeed, today the government of our country maintains three major programs—unemployment insurance, family allowances, and medicare—that did not exist in 1939 and contributes far more to education and welfare.

Speaking of welfare and other forms of social assistance programs, this government has tried to excuse itself for capping the Canada Assistance Plan ceilings by saying that the cap only affects the three richest provinces.

Well, we know that the Canada Assistance Plan is the funding program for welfare payments and services to the poor and that half of Canada's poor live in those three richest provinces. Therefore, they stand to suffer, as correctly observed by Mr. Leonard Shiffrin of the *Winnipeg Free Press*, issue of March 1, 1990.

As you can see, Mr. Speaker, this government has not been fully candid with Canadians. Not only has the government not been candid, but it has conveniently excused itself to be a government without a heart. It has recently started to chip away at the universality of our social programs and now it has decided to start killing the one program that is completely targeted to the poor. The poor stand to suffer even more when they want to pursue further education and when they get ill.

The freeze on transfer payments in the proposed budget is another blow to Canadians. Three times since 1986 this government has imposed measures that have reined in Established Programs Financing.

If this trend continues, if this Tory government continues its assault on transfer payments to provinces, Ottawa will cease to pay a single penny for medicare in any of the 10 provinces by the end of this decade. When this happens, medicare as we know and cherish it today, will be dead and each province will have its own different health scheme. In each province the system will become segregated, much like it is in the United States. For the rich there will be a first-class private system. For the poor there will be inefficient, underfunded, overcrowded health care system.

Ten years ago the federal government paid for 51 per cent of the cost of medicare in Ontario. Under this government, it is now 37 per cent. After this new budget, this percentage will continue to decrease.

Transfer payments from Ottawa for my home province of Manitoba are depended upon for 38 per cent of its revenues. While health programs have been increasing between 7 and 9 per cent per year, the transfer payments which cover this vital program have not been increasing at this rate.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I want to commend the hon. member for Winnipeg North on his excellent speech. One of the things I know he has listened to this afternoon is a lot of talk about how popular the goods and services tax is becoming in Alberta. In his province, in spite of the Minister of Finance's protestations that there are no tax increases in this budget, the people of Manitoba, I have no doubt, are awaiting with dread the imposition of the goods and services tax this government has proposed.

I am sure he will have read in the Supplementary Estimates C, that were tabled by the President of the Treasury Board earlier today, that the Department of National Revenue is requesting authorization from Parliament to spend an additional $100 million, $82 million of which is for the Customs and Excise branch. I assume, although I have not got the details of these expenditures, of course, that these are to pay for the tax police to administer the goods and services tax and to pay for the additional office space required by these tax police so they can exercise their functions, gouging and screwing this money out of the Canadian people.

I noticed that the Department of Taxation is getting an extra $20 million. I assume that is for more tax police there.

Are these measures ones that are popular in Winnipeg North?

Mr. Pagtakhan: Mr. Speaker, I would like to thank my colleague for the comments. Certainly, the constituents of Winnipeg North are adamantly opposed to the GST.

In fact, it is popularly known in my constituency as the gouge and squeeze tax.

I would like to point out to my hon. colleague and particularly to the opposite side that the real danger in this budget, which has failed to claim that the GST is part of its underpinning, lies not so much in the numbers that are now threatening most of our social programs, but in the trend it establishes. That is not my original view. It was the informed opinion of *The Citizen* in the February, 21, 1990 issue.

I have just learned from the Estimates today, if I can follow the comment of my colleague, that the proposed budget wants to cut about $2.5 and $1.75 million from the National Health Research and Development Program and from the Child Care Initiative Fund. These are programs involved in securing funds for AIDS, for natives, for alcohol, drug and sexual abuse programs, programs for seniors and children, and those directed against family violence. It demonstrates that this government has misplaced priorities. The first to suffer will be the most vulnerable sector of our country.

• (1700)

If I may conclude, Mr. Speaker, if this government really cared about Canadians it would not be decapitating fundamental programs for the sick, the poor, the homeless, the natives, the seniors and the students. Instead, it would be candid with Canadians about the full meaning of our total national debt. It would not exaggerate the burden of interest payments and high inflation and use it as an excuse. Instead, it should institute stimulative fiscal polices that will guarantee the well-being of Canadians today and tomorrow.

Mr. Joe Fontana (London East): Mr. Speaker, my friend and colleague, the associate critic on health for our party, said something very important and I think it bears repeating. Perhaps if he has a minute or so he could essentially explain and expand on his statement that he feels that universal health care, as we know it in this country, may very well be in peril because of what has happened with respect to the reduction in transfer payments to the provinces.

Mr. Pagtakhan: Mr. Speaker, I thank my colleague for his pointed question. The Minister of Finance on several occasions has said: "We have only cut, we have not decreased". In Manitoba, in this current 1989-1990 budget, there has been a decrease of at least $3 million in the total budget for transfer payments.

Ms. Frances Russell, a learned columnist of the *Winnipeg Free Press*, has estimated that if we continue this trend by the end of this decade there will be no more universal publicly funded non-profit medicare. So I would say that if this current trend continues this government is signing the death certificate of medicare.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. whip for the New Democratic Party.

Mr. Angus: Mr. Speaker, as you will know, yesterday in this House, by consent, my colleague the member for Regina—Lumsden, accommodated a minister of the Crown by reversing the speaking order. It is a common courtesy that is extended in this House from time to time.

I am advised that in the rotation today inadvertently we may have been deprived of our normal speaking position. It is my understanding that there have been three members of the government and three members of the Liberals speaking in order and we had assumed, quite frankly, that the member for Comox—Alberni would be the next speaker for us and he had planned accordingly.

The Acting Speaker (Mr. Paproski): I have already talked to the hon. member for Comox—Alberni. I mentioned to him that the way the rotation is today we recognized two members of the Conservative party for 10-minute speeches and two from the Liberal party. Now that the Associate Defence Minister is here she is going to be recognized and then I will go to the hon. member for Comox—Alberni.

Yesterday I was very lenient with the hon. member for Regina—Lumsden too. He got about 28 or 29 minutes for his speech, talking about leniency. The Chair is trying to be lenient with everybody in the House, particularly with the opposition. The Associate Minister of National Defence.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I appreciate this opportunity to share my views on the government's recent budget. As Associate Minister of National Defence I am going to speak briefly about the budget and Canada's Armed Forces. But first I would like to discuss the budget as it affects Canadian

women in my role as minister responsible for the status of women.

The government has made a very clear commitment to the women of Canada since it was first elected in 1984. We have honoured this commitment, not just in promises but with real and substantial action.

Since 1984, the number of women in decision-making positions in commissions and agencies of the federal government has increased by 100 per cent. We have set in place a plan for equal pay for work of equal value in the federal Public Service and we have improved the pension benefits for Canadian women.

When we were first elected there were only three women deputy ministers. Today there are 21. Prior to our first election there were fewer than four women ambassadors. Today there are 13. Back then, in the old days, there was only one woman out of the nine on the Supreme Court. Today there are three.

The changes for Canadian women go even further. There has been a decrease of about 757,000 Canadians living in poverty since this government has been in office. This number includes 229,000 women and 259,000 children.

On the job creation side, 61 per cent of the new jobs that have been created have gone to women, a higher ratio than the average entering the workforce. This government improved job training for women to the Canadian Jobs Strategy. We have introduced a $25 million program for immigrant women and improved child tax credits for low-income families.

In 1986, we introduced employment equity legislation, and I sat on that committee. In 1988, we introduced for the first time a $40 million special program initiative to deal with family violence, an issue which causes me a great deal of distress, as I know it does colleagues on all sides of the House.

I am now one of six women in the federal cabinet, when we were first elected there were only two. For the first time in Canadian history there is a woman Minister of Justice and Attorney General of Canada and I congratulate my colleague, the hon. member for Vancouver Centre.

This government has not neglected the women of Canada. In fact, we plan to do even more and we will do more.

While we must continue to address the needs and rights of Canadian women, we also must address the threat of a large and growing national debt. It must be brought under control if we, as a country, want to continue to grow and prosper. We must continue to reduce the deficit if we are to build a secure future for all Canadians, men and women.

We all know that deficit reduction is not without its pains. All Canadians are contributing to this national effort in order that we secure our economic future. To achieve a lower deficit we need to build a new national partnership that works with an economic agenda and a plan for the future. This budget is part of such a strategy.

A lower deficit means lower inflation, lower interest rates and less of a debt burden. A lower deficit also means we will have more flexibility to make choices about our priorities as Canadians. We will not be bogged down by that debt. For example, we will be able to invest in new programs for the environment, for regional development, for the advancement of women or to lower taxes.

Reducing the deficit is part of a long-term economic plan that is building a stronger and a more competitive economy which is essential for the advancement of women and for their equality.

Canadians have told this government that they want spending cuts. I know my constituents have, as I know they have across the country. We have listened to those Canadians and we have acted on their wishes. In fact, to date, 70 per cent of our deficit reduction has been on the spending side.

As well, as part of the strategy and part of this year's budget, some $1.6 million has been cut from the women's program budget of the Secretary of State. I want to clarify that. Although it is in my colleague's budget I am concerned and involved in that issue.

Some people have said that this will mean the closure of women's centres across the country. I want to make it clear that this government is not closing women's centre. The women's program was not designed to provide funding for social services. That, in effect, is what has happened in certain parts of the country where federal government funding from the Secretary of State has, in effect, been used for the provision of social services, a responsibility, I think we all recognize, of the province.

• (1710)

So we have to find new partnerships and assist these centres, where they are providing essential services which are not otherwise available in communities, to continue to work with their local communities in partnership with provincial governments and other sources. In fact, the women's program will work with these centres to help them find other sources of funding.

Under the women's program, under the project funding, there will be increased funds and it is expected that well over 500 projects can be funded, a number of which will obviously be delivered by women's centres. In fact, some of the women's centres in Canada have operated purely on project funding. Other women's centres in Canada have not indeed received any federal funding but have received their support from other levels of government and from the community.

I also want to make it clear that we are not sacrificing local groups at the expense of others. National funding, for example, is not gaining at the expense of local. In fact, four of the national groups have had their core funding discontinued which is in line with the policy to move away from core funding and supporting project funding which requires, of course, accountability for the individual projects.

In addition, the Secretary of State will be redeploying core funding to project funding by reducing four other national groups' budgets by 20 per cent. This redeployment will enable their program to respond to the needs of the most disadvantaged women's groups across the country. When we talk about those we think of the aboriginal women, the new immigrants, the visible minority women and the disabled women, those who really are at a disadvantage and who obviously need the focus of attention the most.

In addition, I am sure that you are aware, Mr. Speaker, that this government continues to support the work of the Canadian Advisory Council on the Status of Women, which will be reporting to me, in order that they continue their research, their advice and their advocacy role.

It is worth noting that even after the reductions to the women's program by the Secretary of State, there will be $9.6 million in that program, which is a considerable amount of money and certainly more money than existed when we took office in 1984. It is well over the $8.4 million available at that time. With this money my colleague says that he will be able to support over 500 projects focusing on areas of family violence, economic equality and social justice.

In spite of these cuts, and we know that all areas of government have to participate in this, this government remains committed to the women who need help the most—women who have the double disadvantage of being immigrants, members of visible minorities, women with disabilities and aboriginal women. Those programs in the Department of the Secretary of State remain and some, in fact, have increased funding and will be able to assist, either through women's centres or other programs, work and projects for women in those groups.

We are also committed to ending violence against women, or working towards that. I am not sure we could ever say we can end violence in our society, but we obviously have to work in assisting those women who are victims of violence and work towards eradicating the causes as well.

The reduction in the women's program will not affect our participation in the government-wide initiative to address family violence. These initiatives, led by Health and Welfare Canada, along with five other participating departments, represent a commitment of $40 million over five years by this government. Of this initiative, the Canada Mortgage and Housing Corporation has $22.2 million for capital funding of 500 shelter units.

I can assure the House that this government will continue to support and address the needs of all Canadian women. There are other areas that we will look to in my new areas of responsibility. I will work with my colleagues to identify and address those issues and initiatives that we can move forward with to ensure that women work towards, not only full equality but independence and self-sufficiency in our society. That, I think, is a goal that we all, men and women, share together.

I also have responsibilities with another department and I will move on to that. I would like to spend a few minutes talking about the 1990 budget as it relates to the the Department of National Defence. We now find

ourselves in a world which is very different from that which we knew a few short years ago or even a few months ago. As a result of the dramatic changes in Europe and the fiscal restraints here at home, we are conducting a review of our current defence policy to ensure that this policy and our program remain sound. The very positive nature of the changes in Europe allow us to take the necessary time to ensure that this review will be thorough and ultimately in the best interests of Canada.

Canada welcomes the prospect of a free and democratic Europe, where the possibility of war, we hope, will be virtually eliminated. This prospect is what we and our allies have been working toward for nearly 50 years. Its development is a tribute in part to the collective efforts of the individual countries of NATO and the members of their armed forces. Canadian servicemen and servicewomen, as well as the civilian employees of DND, should be proud of their contribution to this process.

In our defence policy review, we will examine how we can best fulfil Canada's defence needs in light of our current fiscal realities and in the ever changing international situation.

Needless to say, this review will prove to be a complex process during such a tumultuous time and it is too early to speculate on its outcome. However, I can say that its purpose is to ensure a realistic mandate for the Canadian forces and the resources to do the job.

Obviously we have our work cut out for us. We must reconcile the present fiscal restraints with the still pressing task of reducing the gap between the military commitments and our capabilities in these rapidly changing times.

We are committed to protecting Canada's interests, namely, to contribute to collective security and defence and to play a key role in international peacekeeping. In this role I think not only Canadians but people around the world have recognized the tremendous impact that we have had and the contribution that we make.

As the world changes, so does Canadian society and so must the Canadian forces. Such changes are often difficult but unavoidable.

The Canadian forces are redefining their place in Canadian society and it remains our job to make Canadians understand the crucial role that they will continue to play in the protection of these interests.

I see the maintenance and protection of Canada's interests as a key role for DND. Part of that key role perhaps goes beyond what Canadians traditionally think of when they think of defence.

We need to protect our resources and our territorial integrity.

We must inform Canadians about the role of defence in maintaining our interests.

We must explain to Canadians not just what we are doing now, but what needs to be done and DND's importance in establishing and maintaining sovereignty over the second largest country in the world.

The protection of Canada and Canadians goes beyond boundary patrols. DND must also become more involved in the war on drugs in this country.

The Department of National Defence is committed to doing its part to aid other departments of government in the interdiction of drug traffickers. We are working with the RCMP to track unauthorized or suspicious vessels and aircraft.

In addition, DND has become more involved in protecting our environment.

In 1989, when the forest fires raged through Manitoba, the Canadian forces airlifted close to 6,000 Canadians out of threatened areas within a matter of days. We could say that thousands of lives may indeed have been saved by DND personnel through this initiative.

DND is able to respond to situations like this because we have the equipment and skills to provide security to our country and our citizens.

Now, more than ever, Canadians must come to understand that national defence can and does affect their lives in many positive ways. DND is not and never has been a one-dimensional institution.

Prior to the finance minister's budget there has been a great deal of speculation about the impact of the 1990 federal budget on the Canadian Armed Forces. Some had said that the government had planned to cut our money, affecting upwards of 15,000 members. Others had said that we should reduce or eliminate our resources in Europe. These people were wrong. At this

crucial time when our department and our armed forces are being asked to become more flexible and more involved in a wider variety of activities, it would be unwise to allow our numbers to be cut back below a minimum level.

• (1720)

In brief, the defence budget will be reduced by $210 million in this fiscal year and a further $270 million in the following year.

These budget cuts mean that increases in defence spending over the next two years will be limited to 5 per cent, and with inflation currently at the level of more than 5 per cent we will not enjoy real growth but will merely hold the line against inflation in the coming years. Some have called for much deeper cuts. Quite simply, Canada still only spends about 2 per cent of its GNP on defence, compared for example, to the United States which spends about 6 per cent.

There is also a new buzzword in the air; the "peace dividend". Canada has enjoyed this dividend during the past decades, but more dramatically when defence bore the brunt of the government's deficit reduction in April of last year with a $2.74 billion reduction over five years. In fact, when combined with this year's reductions, we have suffered a cut of $3.4 billion over that period.

Canada simply does not have the flexibility which some of our allies enjoy, without seriously damaging the operational effectiveness of the Canadian forces. Yet, we have been able to act in, I think, a responsible fashion to the current fiscal demands.

There will be a reduction of about 1,500 in the size of the regular forces over the next few years. The size of the national Defence quarters will be scaled down and we will reduce our defence liaison staffs in London, England, and in Washington. In addition, reductions in the size of the DND civilian workforce can be expected. No further base closures are expected and capital projects currently under way will likely proceed. But in any future scenario the replacement of equipment for the Canadian forces must remain a high priority.

I would like to remind the House that this government is not prepared to place our sovereignty or security at risk. The current and projected defence budgets represent what this government believes is the essential minimum necessary to safeguard Canada's vital interests.

I would like to say a word as well about the reserves who are such a vital part of this role. We still intend to increase their numbers, improve their equipment and training, assign them to essential and specific tasks and continue to reduce the disparities between the regular and the reserve forces.

We all have a role in helping to resolve the deficit. This government has taken tough but decisive actions. The measures we have taken reflect the seriousness of the situations. We have acted in a responsible fashion.

This budget will build on the achievements of the past five and a half years by working to ensure a more prosperous and secure future for all Canadians. As we achieve more control we will gain greater flexibility and independence of action to act on priorities.

Reducing the deficit will ease the inflationary pressures and create the climate for lower interest rates. This, in turn, will reduce our reliance on foreign investors and strengthen our sovereignty as a nation. The direct results of these actions will be a healthier fiscal position, a healthier economy.

This budget will cut the deficit by half by 1993–1994. It will put the country on a clear path of substantially reducing the burden of debt. Solving our deficit and our inflation problems now will let us build for a secure and rewarding future. It will mean a responsible government with the financial room to manoeuvre, to maintain valued programs and take on new challenges. It will mean a dynamic economy that provides rising living standards and new opportunities.

This budget will mean a confident country that is competitive abroad and in control of its own destiny at home.

[*Translation*]

Mrs. Maheu: Mr. Speaker, I listened to the last part of the minister's speech. If I may ask you to depart somewhat from your role at National Defence and make a connection with your responsibility for the Status of Women, when considering the budget cuts, how do you perceive the future role of women within our armed forces, at National Defence? Will they go back to office work? Will your budget cuts affect those who entered the armed forces most recently, including women? How do

you think women will perceive of your dedication to promoting their status in our armed forces?

As you may have suspected, I am thinking of what happened out West when you congratulated another cabinet minister on his extremely degrading comments about one of our colleagues in the House of Commons. How do you expect Canadian women employed in the armed forces to count on your support, considering budget cuts totalling several million dollars and your comments in Western Canada about the Minister for International Trade?

[*English*]

Mrs. Collins: Mr. Speaker, I appreciate the opportunity to respond to what I think is a very important issue and one that I have in just over the past year been very much involved in, that is promoting the role of women within our armed forces.

As the member may be aware, a number of trials had taken place over the previous years to work at integrating women into all roles and occupations in the armed forces. Prior to that time women had been excluded from many trades and occupations because they were said to be non-combative and that women could not do those jobs. That work had been proceeding and there had been actions taken before the Canadian Human Rights Tribunal and the decision of the Canadian Human Rights Tribunal last February was that all trades and occupations should be open to women.

I fully supported that decision and, as you know, the government accepted that decision and said we will proceed with its implementation. I am really pleased to see what is developing within the armed forces. It is not easy because there are areas where women have never been involved before. But I look, for example, at the air force. We have the first two women fighter pilots. I think they are the only ones in the world. We have women in all areas of the air force, even as helicopter pilots. As I go across the country and speak to them, they basically are saying that it is really working well. They are not being discriminated against. They really feel they can aspire now to the highest positions.

Within the navy we face some challenges. There were some real concerns about how it would work with women being on ships and away for perhaps 30 days. There were concerns for the families back at home as well. We have addressed those. We have tried to concentrate on building up enough women on any ship. Having just one woman on a ship would make it very difficult. We will convert ships slowly and that is working out very well.

Within the army, women are now applying for and being accepted in all the trades and occupations. There are some difficulties in the infantry. We have had a number of women apply who have gone to training and have either dropped out of training or have not been successful. It is an extremely physically demanding occupation. I have been out in the field and it is very strenuous. Many women really do not want that kind of work but some are succeeding. It is going to be important to build up enough of a mass in order that we can really address those issues.

Several months ago I appointed a minister's advisory board on the integration of women in the armed forces. It is made up of very excellent men and women from across the country who will be monitoring the integration of women and advising me on what is happening and if there are problems so that we can make sure that this fully works. We have one of the few armed forces in the world that is actually doing this and many other countries are watching us. So I am very excited by this.

• (1730)

In addition, we have to recognize the special problems and the family responsibilities that many women have. I convened a conference several weeks ago on social issues and the Canadian defence. It is very important for an organization such as ours, the largest government department,—we impact the lives of several hundred thousand people—to really be aware of what the social issues are, the social change that is occurring in society and how we as an organization can be ahead of the game, whether it is family issues, technology issues, or the role of women.

We brought together academics, business people, military people, all sectors. The whole process was very exciting. I see it as the beginning of a process to influence and sensitize our people and other people about what we can do as an organization. I hope that as an organization we are going to be in the very forefront in many of these areas.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I offer my congratulations to the new minister who is responsible for the status of women. It is the first time she has spoken in the House under her new responsibility and I welcome her to that role. I know that we will be working closely together and I shall have a number of questions for her.

The recent budget is a real attack on women. This budget has cut the funding by 100 per cent to almost 80 women's centres across Canada. These women's centres are often the first place a women turns to, a woman who has been battered in her home, a woman who has been sexually assaulted on the street, a woman who has been sexually assaulted in her home. Often the first place they go to is a women's centre. They go to these women's centres because there are dedicated volunteers who have worked in the community, who have correlated information on support services, information on transition homes, and information on counselling services. This is where most often an abused woman will turn to find out what resources are available to her in her community. It is a big step when that woman makes that break through into a woman's centre. Now many of these centres are going to close because of the draconian measures of this government in its budget.

One out of every two women who turns up at a transition home today is turned away because of lack of space. The minister spoke about Project Haven and spoke about the commitment of this government to battered and abused women. But we know that already one out of every two women has the door shut to them when they turn up there, sometimes with their children, looking for sanctuary.

At the same time, this government has increased the budget by $33 million to CSIS. It has increased the budget by $114 million relating to the minister's other responsibility to the Canadian Armed Forces in Europe, at a time when the Berlin Wall is crumbling, at a time when eastern European countries are looking to a more democratic way of life.

I would like to ask the minister how she can justify her position as minister responsible for the status of women in the light of what this government is doing to women? This government is trying to muzzle women. This government has its foot on their throats, and wants to shut women up. How does the minister justifies her role in that government and in that cabinet that is silencing the voices of women?

The Acting Speaker (Mr. Paproski): The hon. minister has only two minutes to answer the question.

Mrs. Collins: Mr. Speaker, I would like to thank the hon. member for her good wishes. I know we will have differences of opinion but I think there are many of these issues we are dealing with that are not really partisan issues. I hope men and women in all parts of this Chamber do care about them and that we can work together. I know particularly on the concerns of women we do share that real concern.

First, I would like to say to the hon. member, because perhaps there is misunderstanding in some areas, that the budgets of the transition houses are not affected by the recent changes in the budget. What is affected is the core funding to the women's centre, which was designed under that program for education and advocacy work. I recognize what happened over the years is that some of them obviously get involved in providing service.

Perhaps this is a good time to make the recognition that the Secretary of State does not have the money to do that. That is not his mandate. His mandate was advocacy, and I think that advocacy has worked very well.

The mandate for looking after and providing services, whether it is counselling or support services for women is the responsibility of a broader group of other levels of government and other programs. We should be addressing those, not just through the Secretary of State's budget, because it does not have those kinds of resources. That, indeed, if I can say to the hon. member, is where we are going to be working with our colleagues at the provincial level, and with colleagues from other departments.

As I mentioned earlier, the family violence fund is there. We will be looking at resources through that. We are looking through other resources in the Secretary of State's department to assist aboriginal and visible minority women.

Could I also say to the hon. member that it has been said there are 77 women centres affected by these reductions. I think approximately 44 of those are in Quebec where the amount of money that is provided by the federal Secretary of State is a very nominal amount of money. It varies $6,000 to $8,000. It does not mean

that they will close because most of their resources come from other sources.

In British Columbia and Newfoundland, where the primary resources have come from the federal government and the provinces have not been participating to date, we obviously have to look for new partnerships to ensure the provision of services to women, whether it is through women's centres or whether it is through other agencies and communities. This provides us an opportunity to look at these issues. I have been concerned that quite often it has only been poor women who have been looking at these issues. We need to get a lot more women involved and they are going to get my help. I can tell you the women are going to get my commitment to help with these problems and I ask for your support.

Mr. Deputy Speaker: I regret the hon. minister's time has expired. Resuming debate with the hon. member for Comox—Alberni.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, as it works out, I am very pleased to follow the Associate Minister of Defence in this debate on the budget.

When you look through the concerns that are facing Canada today, I think if you polled Canadians, you would find that 100 per cent of the people in Canada are concerned about the budget. They are concerned about the deficit that this country is facing and what the implications of that deficit are, both for ourselves operating in the present and for our children in the future. What is going to be the future for them if they have to bear the tremendous weight of this deficit that has been built up over a series of governments right through the 1960s, 1970s and 1980s.

In facing the issue of the deficit, we realize on this side of the House, as do members on the government side, that there are basically three alternatives that the minister can take in order to deal with the deficit. He can raise taxes.

Mr. Milliken: Which he has done 31 times.

Mr. Skelly (Comox—Alberni): The Tories definitely know how to raise taxes. My colleague says they have raised taxes 31 times.

Mr. Larrivée: To pay their debt.

Mr. Skelly (Comox—Alberni): I was always under the impression that when you took over a house and took over the mortgage, it is now your debt, and you are the one with the responsibility for paying the debt. You assumed the mortgage. You have the responsibility, you have the power, and you are supposed to be developing the programs. It is too late to blame the Liberals. We all know that they were at fault in the previous government. You guys are at fault now and you have the responsibility for dealing with the issue now.

You have raised taxes. Thirty-one times since 1984 this Tory government has raised taxes. I will tell you, Mr. Speaker, from the point of view of the people on this side of the House, there are no further opportunities to raise taxes on the poor and the middle income people in this country.

I am not saying that there is no opportunity to raise taxes, because there are those who, over the last five or six years, as a result of the Tory preference for raising taxes on the poor and middle income people, have escaped taxes altogether.

The wealthiest people in this country, the highest income earners in this country, have actually received a $1,000 dividend on their taxes from this Tory government since 1984. Why is it that the rich get paid and the poor pay more under a Tory government. It is because it is a Tory government.

• (1740)

The other group that got away with paying taxes over the last several years from 1984 until 1990 is those 80,000 to 90,000 profitable corporations, some of the ones that were mentioned by my colleague from Nickel Belt this morning as the top award-winning corporate welfare bums. In spite of the fact that they make profits, in spite of the fact that they do very well, thank you very much, as a result of the tax relief that they are granted, they end up paying no tax at all. As a result, the tax burden in this country is not distributed fairly and a large section of the income earning population of Canada, which has the ability to pay sufficient taxes to help pay down that deficit, is not paying their share. That is why we have such a serious deficit problem in this country.

The other thing that could be done in order to trim the deficit is to cut expenditures. The minister who just spoke is an example of an area of the Canadian government where we can cut expenditures. We all have to take a little bit of the pain when we are talking about

expenditure cuts. In this budget, not everybody is sharing the pain equally.

We had a legitimate right to believe that there was going to be a peace dividend as a result of the reductions in tensions in eastern Europe. Even in the United States and in other of our NATO allies, people are looking at the opportunity for this peace dividend to re-orient their economy, and reduce the heavy expenditures. After all, the expenditure to maintain the defence component of NATO is $957 billion annually. A small percentage of that expenditure would wipe out poverty in Canada this year. A small percentage of that expenditure would wipe out some of the most serious diseases plaguing people on this globe that result in thousands of children dying every single day of starvation and diseases like dysentery which is caused by poor food and water supplies, or the lack of food and water supplies.

With $957 billion our defence system could take a very small percentage of that cut, reallocate it towards other programs, towards helping our children, towards eliminating poverty, towards providing the services that my colleague for New Westminster—Coquitlam was talking about. We could have done a great service to the people of Canada had we taken advantage of that defence dividend in this year, without undermining the effectiveness of our armed forces in doing the things that our armed forces should be doing, and that is protecting Canadian sovereignty, cleaning up the problems of the environment that have been created in Canada, and using our forces deployed internationally at the behest of the United Nations for preserving peace throughout the world and further creating, as a result of that investment in defence forces, an additional peace dividend that we could reap again at home to re-invest in social programs.

One of the ways to deal with this deficit is raise taxes on those who have not been bearing the burden all along. The second way to deal with the deficit is to take advantage of that peace dividend and cut some of the programs that we no longer need as a result of the changes world-wide. The third way to deal with this deficit, and this was an option available to the Minister of Finance, was a gradual reduction in the interest rates that are established in this country. Everybody in this Chamber recognizes that interest rates are far too high. They are stifling our economy. They are making it impossible for people of modest means to buy housing. As a result, it is a serious problem in economic development at home. We need a reduction in interest rates.

In the weeks leading up to the announcement in the budget, I think that a scam was perpetrated on this country by the Minister of Finance, the Prime Minister and by the Conservative Government of Canada. I will tell you what the scam was. I think it was based on a number of planted stories and a number of actions by government which led Canadians to believe that the burden of deficit cutting was going to be shared equally among all sectors of the Canadian economy and among all sectors of Canadian society. That is precisely what has not happened in this budget.

Let me tell you what the scam amounted to, Mr. Speaker. First, there were the planted stories. You will recall the series in *The Globe and Mail* and in other newspapers, the interviews with military officers at the Canadian Forces Base at Lahr, interviews with students at the military and officer colleges, interviews with members of the general staff who expressed their concern and uncertainty about what was going to happen to the Canadian Armed Forces in the future, and how they were going to fulfil their role after all the cuts they had taken in the past. That planted story seemed to indicate, and left Canadians with the impression, that the military was going to share its burden in terms of cuts in order to attack the deficit. That was not the case.

The other story that was planted, was the story about the Canadian Manufacturers' Association and the Business Council on National Issues attending public meetings and making statements that, yes, business has to take its fair share and bear its share of the burden in terms of cutting the deficit. Some editorialists even suggested that this was a self-sacrificing attitude on the part of the Business Council on National Issues—it would have been the first demonstration of such an attitude—and on the part of the Canadian Manufacturers' Association. In fact, nothing was further from the truth. The Canadian Manufacturers' Association and the Business Council on National Issues said that that grants to businesses should be cut or should be converted to repayable loans.

The biggest draw on our resources and on the taxpayer's resources, is not grants to small businesses, the most innovative, employment intensive, product developing businesses in our economy. The biggest drain on the resources of the Dominion of Canada and its exchequer is the drain of the tax expenditures to huge corporations with absolutely no productive results in terms of increased employment or increased economic and indus-

trial capacity. That has been identified, even by the Nielsen report, as the biggest drain on the resources of this country. Every member on the other side knows that is one series of expenditures that was never touched by the government in this budget. As a result, that group of people, the largest, wealthiest corporations in our society, in our country, do not pay their share. As my colleague from Nickel Belt pointed out, they do not pay any taxes at all in terms of 80,000 to 90,000 of those corporations.

What the people of Canada were looking for in terms of this budget was a little fairness in spreading the burden of that deficit equally among all people in society.

The women's centres in Port Alberni in my riding and in Courtenay will shut their doors on April 30. Courtenay has already shut down now, because the staff does not have time to help women because they are out trying to raise money. In Port Alberni, they are going to be shutting their doors on April 30.

The women's centre in Port Alberni received a generous grant from the federal government of $26,000 a year. Its contribution to fighting the deficit was 100 per cent of that grant.

As my colleague, the leader of the NDP pointed out yesterday, Fletcher Challenge, a major forest company operator in British Columbia, paid zero taxes. What is its contribution to the deficit? As my friend from Nickel Belt pointed out, Hees International, a very profitable corporation, paid zero taxes. What is its contribution to the deficit?

Those were simply planted stories that implied that the defence department was going to be paying its share. It was a planted story that implied that big business was going to be paying its share. Guess what? Those folks did nothing to shoulder their share of the burden of that deficit.

• (1750)

The most cynical scam that was perpetrated on the people of Canada was done by the Minister of Finance between January 11 and January 18 when he dumped the interest rate in Canada by about 29 basis points. I think he did it on purpose. His purpose in doing that was to panic the currency markets in order to suggest to Canadians that if we reduced interest rates it was going to result in a problem of a declining dollar and serious problems with our currency.

Why did he dump the interest rates at 29 basis points all at one go? If the minister had adopted a more gradualist approach, he could have lowered interest rates by the same amount and more without disturbing the currency markets, without giving them the sense that there was going to be a free fall in interest rates and a free fall in the Canadian dollar which would have created problems with our trading partners, especially in the United States which reacts poorly to a low Canadian dollar. Why did the minister do it? I think it was an attempt to deceive Canadians into believing that interest rates could not be reduced by dumping them all at once instead of taking a more gradualist approach.

Having perpetrated those three scams on the people of Canada, the minister then brought in his budget. It was a very deceptive kind of budget. Having set the stage through those planted stories and through interest rate drive, the minister then tried to imply to Canadians that we were all going to bear the burden equally. But in fact some bore the burden more harshly than others.

I would like to talk for a moment about the budget of the Secretary of State and how it relates in particular to aboriginal organizations. The government has not been too happy with aboriginal organizations over the last little while because they see the impact of federal Conservative policies on their people. Mr. Speaker, you and I know that aboriginal organizations represent some of the poorest of the poor people in Canada, some of the most disenfranchised and powerless people in Canada, people who have a claim under our Constitution for recognition of the role that they played in the development and the history of this country, and they are not recognized in that Constitution. They are people with a legitimate case of unfinished business that needs to be negotiated with this country.

Over the years, the Prime Minister has recognized that, the Parliament of Canada has recognized that, but in this budget the government has put an end to its recognition and support for aboriginal organizations in Canada. Essentially, the government is implementing

the Buffalo Jump provisions of the Nielsen report that was brought down in 1985. The government is saying that native Indians and aboriginal groups are no longer entitled to the support of the Canadian people, that they are going to have to go it on their own, and as far as this government is concerned the policy with respect to aboriginal people is integration, assimilation and cultural annihilation. That is the policy of this government with respect to Indian people.

How do you do it? First of all you wipe out their leadership. In that same Secretary of State's budget that eliminated 100 per cent of some of the women's centre core funding across Canada including two in my riding, the budget of the Assembly of First Nations, the leadership organization of the status Indians of Canada, was wiped out to the tune of 100 per cent. Was there any consultation in advance? No consultation. Was there any discussion in the words of the Associate Minister of Defence in terms of generating new partnerships for fund raising? No discussion about new partnerships. Was there any discussion about getting project moneys, even though you do not have the core funds to operate an office or hire the people? There was no discussion.

The Prime Minister made a promise on April 18, 1985, denying the Buffalo Jump document was government policy and saying that he intended to carry on an important relationship with native people and that there would be no cuts in funding without prior consultation. Were any of the promises of the Prime Minister kept? Absolutely not one of those promises was kept. This was a direct attack racially motivated against the native people of Canada.

In the Secretary of State's budget, what is the excuse that the government has for cutting all of the funding of native print media, about $3.4 million? As the clock ticks, that is the interest on our debt. How can these people possibly be accused of contributing to the deficit? With $3.4 million, they employ 108 people who will end up on unemployment insurance as long as it exists and then on welfare. These people have been trained as a result of their journalism experience as journalists, reporters, printers and other technicians involved in that trade.

In the native broadcast media as well, people will end up out of work and programming will be cut back. All of the work that these people have done to improve native literacy, to protect native languages and to communicate between native society and Canada's society as a whole in order to reduce racial tensions and increase tolerance between peoples is going to be wiped out with a stroke without a bit of consultation between this government and those groups.

What other possible explanation is there? These people are not the people who are responsible for the deficit. Their pittance of $9 or $10 million contributes next to nothing to the deficit compared to the drain on our resources through tax expenditures to large corporations and the failure to tax profitable corporations. These people are not responsible for the deficit.

The only explanation for the cuts sustained in this budget by native organizations is that this government, for political or other reasons, opposes the native Indian people of Canada. It is attempting to suppress their leadership and ability to communicate with the rest of us Canadians the legitimacy of the grievances they have against us, grievances based on historical claims to this country, claims to self government within our Constitution, and to be treated equally in terms of health care, social programs and their participation in Canadian society. It is a direct attack on native people, in the very same way that this government has taken the attack against women in this country.

The minister mentioned that women's centres had become involved in the provision of social programs. That is a complete and utter falsehood. Absolutely false. I have gone down to the women's centres in my riding and talked to women. They cannot afford, on a $26,000 budget in the case of the Port Alberni Women's Resources Society, to be providing social programs. How can they do it out of $26,000? It does not make sense. It is a silly, inane comment. It is a silly criticism of the role of women's centres.

Those centres provided resources in terms of help and direction. They referred people to social services and they gave women the confidence, the courage and the ability to take advantage of those services.

This budget is a bad budget. It is not going to deal with the deficit. Canadians are not going to respond to it as something that deals with the deficit, because it does not allow Canadians to shoulder the burden of that deficit fairly. Some people are paying more than others.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I am pleased to be able to partake in this important debate today on the budget that was introduced by the finance minister just a few short days ago.

This budget is the sixth by the present finance minister. It is a continuation of this government's commitment to our fiscal plan as outlined in the election of 1984.

If we take a look at the election of 1984, and why we came to power and defeated the former Liberal government, it was simply because of the Liberals mismanagement of the economy in the years running up to 1984.

In 1984, when we took office, government spending was completely out of control. No matter how hard or how strongly the opposition members want to argue that point, they cannot argue it convincingly because spending was completely out of control. They were unable and unwilling to manage the economy of this country. The Canadian public ousted the Liberals in 1984 for a very good reason. We have stuck to our agenda of attempting to come to grips with the problems we inherited in 1984. If you will allow me, Mr. Speaker, I will go through some of the problems we inherited and the steps we have taken to rid ourselves of those particular problems. It has not been easy and it will not be easy, but we are going to do it.

• (1800)

If we were to check the record of Liberal government spending over the 15-year period between 1970 and 1985, we would see it reveals that the Liberal Party increased program spending by 18 per cent between 1970 and 1975. It increased spending by 10 per cent in the next five years and, on average, something in the order of 14 per cent per year between 1980 and 1984. There is no economy or country in the world that can sustain that kind of growth in spending. Canada was no exception.

The continued borrowing on the part of the Liberal government got out of control. What happened, Mr. Speaker, as you and everyone in this Chamber can well remember, is that it led to 20 per cent inflation rates. A 20 per cent inflation rate in itself is bad enough, but that was coupled with double digit interest rates.

What happened? The economy went into a tail-spin and continued in that tail-spin. The reason is that the Liberal Party never wants to come to grips with reality. It wants us always to take the sugar-coated pill, to buy our way out of trouble. Fiscal responsibility means absolutely nothing to that party.

For those years that I have mentioned, what that party did was simply the same thing a young, undisciplined child would do if he or she were given a credit card with no sense of responsibility and no sense of what a citizen should do. That is exactly what that party did. It led us down the golden path, only to find at the end of it that there were certain realities we were facing.

Consequently, when we inherited the government in 1984, we had a $200 billion plus debt.

Mr. Milliken: No, you didn't. It was $170 billion.

Mr. Thompson: They can argue that we did not have it. I ask them to talk to anyone who is an accountant, anyone with a sense of responsibility and let them check the books. It was a $200 billion plus debt that we inherited. It does not take a rocket scientist to understand the problem we inherited.

We inherited a $200 billion plus debt at interest rates over 10 per cent. What are we talking about? We are talking about paying interest on a burgeoning debt that was just impossible for the Canadian people to continue to bear.

We took steps immediately to correct that because it is something that we cannot climb out from underneath in a short period of time. We have been in office since 1984, and there is not a Canadian here who will say that we have not taken steps to correct that situation.

The difference between us and members of the Liberal Party is simply that they will take the easy road out. The easy road out is to do absolutely nothing.

Mr. LeBlanc (Cape Breton Highlands—Canso): The easy road in.

Mr. Thompson: That is exactly it, the easy road into power. He could not have said it better, coming from the opposition party itself. The easy way into power to do absolutely nothing, to stand back and let the economy roll on. They stick their heads in the sand, something for

which they are famous and which they have done for the last 20 years, but they do absolutely nothing about it.

What do they want to do? In the final analysis, if they do nothing they are just passing the problem on to their children and their grandchildren. Mr. Speaker, you are old enough to have grandchildren. Maybe I am not and maybe some of the guys doing all the hollering are not. However, believe me, if we had not come to power and if we did not come to grips with it, it would have been their grandchildren who would have inherited this debt.

• (1805)

The figures are alarming. I will go through some of those a little later.

I would like to talk now about our plan for the future. It is one thing to cut expenses, and we have done a good job on that; we have cut expenses. Some of them have been troublesome and difficult to deal with as none of us want to lose services. It is difficult. As the man said, "cut expenditures and cut expenses and cut programs, but don't cut programs that involve my province or involve me as an individual. Lay it on to somebody else".

That is exactly what we are doing here with the GST. I want to try to bring this into the light because part and parcel of this budget is the GST in a sense. We have to come to grips with expenditures, but on the other side we have to come to grips with the revenue side of this thing: the raising of dollars to pay for the services which Canadians want and need.

What is the Liberal Party telling us about the GST? I think most of its comments can be summarized and are reflected in the recent debate between its finance critic, the member for Gloucester, and our finance minister when they met in Alberta on Tuesday evening, I believe it was. What it was, again, was simply false promises. The finance critic's response to the GST on national television when the Minister of Finance asked him "would you scrap the GST" was simply: "Absolutely, absolutely, we absolutely would". Three times he used the word "absolutely" until he had to spend the night in Edmonton and think about what he had said. Then, the first thing on Wednesday morning when they put a television camera in front of him, he took those words back.

Why? It was because some of the Liberal candidates seeking the nomination for the leadership of the party disagree. Why do they disagree? It is because they know that reality is staring us in the face. Reality is staring Canadians in the face, and we have to come to grips with it.

To give an indication of what reality means, yesterday I was speaking to my brother who lives in Fredericton, New Brunswick. He did not have an opportunity to vote for me because obviously he lives in a different riding. I cannot pretend that my brother has always been a Conservative; maybe he is not at all. One thing he said to me yesterday was: "Gee, it must be difficult for you, Greg, when you go back home and you have all these pressing issues on the table". He talked about the difficulty with the budget. He talked about the GST. As far as the GST is concerned I said that what I feel when I go back home now is that Canadians are realizing there are no options there.

We have to give Canadians more credit than what the opposition party is willing to give them as to their level of intelligence. Canadians know that if you spend money you have to be able to pay the bills. That is something members of that party have not realized and will never come to grips with. They are not going to change.

Let me quote from an editorial which appeared in *The Edmonton Journal* about the debate on the GST between our party and the Liberal Party. It refers to the finance critic and states: "His views expose the empty posturing and promises made by that Liberal Party". That is what it is. The article stated that the finance critic, Mr. Young, entered the debate burdened with all the old Grit spending baggage of the Trudeau years. No one could have expressed it any better.

Members of the Liberal Party talk about what they will do if they form the government.

• (1810)

I will tell you what they will do if they form a government. They will do what they have done every time they have ever formed a government. They allow us as a party to make the tough decisions that have to be made. They then say that they are going to dismantle

what we have done. We can go through many of those election years where we actually handed the election to that particular party because we were willing to tell the Canadian people the truth, and they did not want to tell them the truth—never have told them the truth.

Mr. Milliken: Always have.

Mr. Thompson: Listen to that. The member himself does not believe it because he has a big smile on his face. He is smiling. He doesn't believe it.

The debt that we inherited in 1984 was a problem for us as a government. No one can deny that we have done a good job in managing that. By the year 1993, if we stay the course—and our party is determined that we are going to stay the course—our borrowing requirements in 1993–94 will be a zero. Our borrowing requirements will be absolutely zero. The Canadian people are demanding that we take action, and we have taken action.

I am proud to stand here and say that I support the government on this budget. I support the finance minister. And the Canadian people support us.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, since the hon. member seems to blame all problems faced by his government on the previous Liberal government, who have not been in power for six years, I would like to ask him how many more years his government requires to deal with the problems that they have not been able to face over the last six? The debt has doubled, deficits are at the approximate same level as they were when they took office. How many more years does this government need before it will learn how to manage the economy?

Mr. Thompson: Mr. Speaker, I was hoping my hon. friend would ask that question. It simply points out that they never listen.

You will recall, Mr. Speaker, that about two minutes ago I mentioned that by the year 1993–94 our debt requirements or our borrowing requirements will be absolutely zero. That is exactly the point I am attempting to make. The answer to the question, if he can do anything at all in terms of simple grade school arithmetic, is that it is a 10 year period. If we keep them out of office for 10 years we will have accomplished our goal. We will have reduced our borrowing requirements to absolutely zero.

I am going to ask the hon. gentleman to go back to grade school, or at least get his calculator out because I am convinced that my grade four son could come up with the figures he is asking for.

Mr. David Bjornson (Selkirk): Mr. Speaker, I appreciate the opportunity to rise today as the representative for Selkirk to speak on the government's budget of February 20, 1990.

The key to understanding this budget is understanding the debt. Our national debt is $350 billion. It is what we owe the investors who lent the previous government money to help it pay in a small way for the effects of the recession and more so for its runaway program spending which was rising at an annual rate of 12 per cent. When spending begins to exceed revenue so significantly the result is what we have right now, a debt crisis.

Make no mistake, we have to repay this debt. We either do it now or our children will have to foot the bill, with interest. As a father of three children, I do not want them to inherit this burden. You might well ask why we in the Conservative government have not paid off the debt. After all we have raised taxes and have had five years of strong economic growth.

Well, that is a fair and important question. In 1984 the debt was $200 billion. Even though the government was in debt it was still spending more on programs than it was taking in in taxes. It is borrowing more money just to pay the interest on the debt. It is as if you go over your limit on your credit card and you have a cash advance from your credit card to pay your debt on your credit card. It makes no sense to me.

• (1815)

The bottom line was we inherited a government that was $200 billion in debt, borrowing money to pay the interest and spending more on programs than it was taking in in taxes. What have we done about it? We recognized that the first step towards paying off the debt was to eliminate the operating deficit. We had to stop spending more money than we made. We cut spending, we raised taxes and we closed loopholes.

After just two years we eliminated the operating deficit of $16 billion. We have today an operating surplus of $9 billion. Seventy per cent of this $25 billion turnaround is the result of reduction in government spending. Unfortunately, all the time we have been working to eliminate the operating deficit the interest on the original $200 billion has been accumulating. Interest

alone on the debt since 1984 has been $120 billion. Eighty per cent of our debt today is a result of the previous government.

Sometimes we are criticized for blaming the previous government for the debt problem. That does not wash. The fact of the matter is we are sitting on a mountain of debt incurred by our predecessors and the facts bear that out. Our opposition is asking us why, after five years, we have been unable to fix the mess they gave us. We, as a government, get enough criticism for the things that we have actually done, never mind getting it in the ear for policies we had no influence over.

I hear complaints from numerous constituents about government spending. Several months ago I polled the views of my constituents on the national deficit. I asked two questions. The first was: "Are the government deficits and the accumulated national debt a serious problem to you? If so, should the government raise taxes? If so, which ones?". Second, "Should the government cut program spending to reduce debt?"

I asked these questions to determine the economic issues that were of the greatest concern for my constituents. I would like to address the concerns raised by the people of Selkirk and to illustrate how this government has responded to their concerns in this budget. Ninety-six per cent of the people who responded stated that the government's deficit and the national debt are of serious concern to them, but 45 per cent said the government should not raise taxes. We as a government have listened to the concerns of Canadians. There are no new taxes in this budget. Of the 55 per cent who said the government should raise taxes, 82 per cent stated that the corporate tax should be raised.

This, in fact, was accomplished in the 1989 budget. A significant amount of revenue will be raised through the large corporation tax, for instance. The changes in taxation to this sector are expected to raise an additional $1 billion.

Sixty-eight per cent of the respondents said no to the federal government reducing transfer payments to the province of Manitoba. Substantial deficit reduction cannot be achieved without affecting transfers to the provinces. They are simply too large a part of the federal expenses to be ignored.

In the fiscal year just ending, tax and cash transfers to provincial governments will total more than $35 billion. They have risen at an average annual rate of 6.5 per cent since 1984–85. During the same period spending on federal programs in general has been held to an average annual growth rate of 3.6 per cent, which is below the rate of inflation. Under the budget's expenditure control plan transfers to provinces are expected to grow by about 3 per cent on average over the next two years, roughly the same rate as all the other program spending.

The EPF transfer to Manitoba will be limited to the same per person level as it was in 1989–90 for the next two fiscal years. Equalization transfers, which in Manitoba are more than EPF, are expected to continue to grow with the national economy. This means that they will grow much faster than other federal spending. Growth of social assistance transfers to Manitoba under the Canada Assistance Plan will also be unaffected because the budget exempts provinces which receive equalization from the 5 per cent cap on growth of these payments.

• (1820)

The result of those transfers to Manitoba under the three major programs, which in 1989–90 total $1.7 billion, are expected to rise in the next two fiscal years to $1.8 billion and $1.87 billion respectively.

I am not suggesting that there is no effect on Manitoba.

There is.

The reduction in the rate of growth of transfer payments represents just under 1 per cent of the provincial government's revenue. But I believe the effects can be coped with as federal and provincial efforts are made to ensure that each tax dollar is spent more carefully, and as all Canadians adjust their expectations of what in current circumstances the federal government can be expected to deliver.

Returning to the survey responses, 66 per cent stated that agricultural spending programs should not be reduced. The farmers of Beauséjour in my riding of Selkirk will be glad to know that there have been no reductions to any federal government agricultural program. Farm-

ers in Manitoba have already received their cheques on the basis of the multi-year disaster benefit program.

The last major point I want to raise is the fallacy that we have not done our part, that the federal government has not cut enough of its own budget.

We have reduced the Public Service by 12,000 person-years. We are governing in the 1990s with 1973 staff levels because we are managing more efficiently. We have reduced the deficit as a percentage of the GNP every year since 1984, from a high of almost 10 per cent to below 4 per cent. We have kept our spending below the rate of inflation every year.

That is a better record than every province and better than even the private sector. However, I would like to make special mention of the government of Manitoba which has been among the leaders in low percentage increases in its program spending.

The federal government has done its part to cut the deficit. We have got the scars and popularity to prove it.

In conclusion, the budget is fair in its demands and promises clear rewards in the form of a healthier economy, greater financial security for all levels of government and for all Canadians. It offers a positive future for our children.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I welcome the opportunity to participate in this debate on the second Tory budget since my election. There are many things that can be said about this budget. I would like to address them under the general theme of fiscal management or, more accurately, the lack of it since the government came to power.

The finance minister is approaching his sixth year on the job. The effort that was tabled on February 20 demonstrates the signs of a man who has never learned the fundamentals of the job, or has simply just given up trying.

I was a federal public servant in Ottawa when the finance minister released his agenda paper on November 8, 1984. The paper proclaimed:

> The growing public debt has become a severe handicap to economic progress and the most serious obstacle to economic growth. Continued high deficits and growing debt will increasingly undermine confidence, put upward pressure on interest rates and reduce prospects for growth. Moreover, they increasingly constrain the federal government's ability to discharge its responsibilities for over-all economic management and effective economic leadership.

The agenda paper warned of the consequences of the debt if it reached the feared level of 1990-1991 of the $400 billion it projected as its unacceptable scenario. The minister promised strong leadership directed at attacking the national debt and bringing down high deficits.

It is true deficits were unacceptably high in the two or three preceding years as Liberal governments struggled to guide Canadians through the worst economic recession of the post-war era, a recession that was global in scope and which was the culmination of deep-seated inflationary pressures, not the least of which were two major world energy shocks in the 1970s.

• (1825)

Even though world economic conditions were unfavourable for Canada throughout the seventies, annual budgetary deficits either in absolute terms or as a percentage of GDP were never as consistently high as during the last five years under this government. The previous Liberal governments before the Tories came to power had begun to turn the economy around and to bring unemployment and inflation down.

Moreover, with world oil prices falling and the U.S. economy experiencing strong growth, this government had the relatively easy task of presiding over a generally buoyant economy due mainly to more favourable trends around the world.

As the Minister of Finance knows, this was the ideal time to bring deficits down to zero, reduce the national debt and to provide room for lower interest rates to prolong the recovery. But what did the Minister of Finance and his colleagues in the government do during this period? They fiddled, flustered, fulminated and raised taxes 31 times, increasing government revenues by over $170 billion over this period.

What happened to the national debt? It just mushroomed. It ballooned. During the last five years and up until the forecast in the 1989 fiscal plan for 1991, the debt grew to some $379 billion—almost the $400 billion the Minister of Finance predicted in his worst case scenario back in November, 1984.

What did the Minister of Finance do in the intervening years? He gave more tax breaks to his corporate buddies while cranking up taxes on ordinary Canadians. He promised expensive toys to the military, such as the nuclear submarines. He promised billions for major

energy projects. He promised to maintain the UI program and to invest in a new child care program for all Canadians.

During the last election campaign the Minister of Finance assured Canadians that all these promises were not promises but spending commitments and fully accounted for within the fiscal framework. Then came the election and Canadians were suddenly advised that, no, the cupboard was bare. There was no money for a national child care program. There was no money for the *Polar 8* ice-breaker. There was no more money for regional development. ACOA was going to have to be reprofiled. The government would have to bail out of its unemployment insurance program, after being a financial partner in this program for the past 50 years.

We were told that Canadians would have to pay a massive new sales tax, the goods and services tax, which would tag an extra 7 per cent on to the price of virtually everything we buy. This tax was no longer revenue neutral but was designed to fight the minister's new deficit reduction fervour.

Now we have the February 20 budget, the budget of a tired finance minister in a tired government.

Let me read a few choice morsels from this document. "The deficit for this year is on track at $30 billion". That is what this budget document says. The finance minister now regards a $30.5 billion deficit as an accomplishment.

Then the minister stated: "I am proposing a two-year expenditure control program that will affect all areas of government spending with the exception of income support programs for seniors, families and veterans, unemployment insurance, as well as the equalization program and Canada Assistance Plan payments to lower income provinces".

What he then sets out to do in typical Tory fashion is to attack the economically less powerful members of our society—the veterans, native people, students, those he missed in the April, 1989, budget—and to pass off his government deficit problems on the backs of the provinces.

Here is another quote: "Implementing the expenditure control program this year will require the patience and understanding of Canadians". That is the understatement of the century.

Here is the classic capitulation. "The economy is in a period of slower growth. This is not surprising, nor should we try to avoid it".

Higher interest rates and a higher dollar caused by five years of fiscal mismanagement are driving Canada into a recession and we should sit back and enjoy the ride.

Finally, one more quote from the budget: "This is the future we have been building since 1984." This is the budget of a Minister of Finance who has given up and is too proud to admit it. It is an admission of defeat. It is a cryptic call to the Prime Minister for a portfolio change. I urge the Prime Minister, be merciful to your faithful friend and to Canadians; withdraw this budget and give the minister another job.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being 6.31 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Thursday, March 8, 1990

The House met at 11 a.m.

Prayers

[*English*]

Mr. Speaker: I have received notice of a question of privilege from the hon. member for Skeena.

PRIVILEGE

DEPARTMENT OF NATIONAL DEFENCE

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise on a most serious matter of privilege. The matter deals with the human rights of a Department of National Defence scientist by the name of Dr. Mendoza, and the Human Rights Commission of Canada is seized with that part of it.

The matter involves my rights as a member of Parliament because records indicate that the investigation by the Special Investigations Unit of the Department of National Defence involves telephone calls to my office, including my Prince Rupert, British Columbia, office. If members of Parliament cannot make and receive calls from the public and private, then we have lost the vital thread of our democratic freedoms.

Second, the matter involves the rights of all members of this House. One of the documents from Colonel McCullough suggests that Canadian law be violated, in fact that it be violated by the Minister of National Defence during Question Period. This cuts to the core of the operation of the most senior democratic institution of Canada.

Third, it involves the rights of all members as one of the documents revealed a view by the Department of National Defence that "the House" should not be advised of the specifics of these investigations. This view is one that challenges the basic building blocks of any parliamentary democracy.

There is a further matter involving the Department of National Defence and the Royal Canadian Mounted Police, but because of the sensitivity of that part of the file it will have to be held until an *in camera* meeting can adjudicate upon it. Let me simply say in relation to that that it clearly violates the spirit, if not the specifics, of Canadian law.

• (1110)

If you will give me a moment, Mr. Speaker, I would like to put the specifics of just a few of the documents on the record because I think it will give all members of the House some idea of the severity of the question of privilege that is being raised today.

There is a document called "Chronology of Correspondence with Hon. Jim Fulton MP for Skeena concerning CB Defence Activities", and it lists the dates of letters, September 27, 1983, from Fulton to Mendoza, requesting information on teratology toxicity studies under contract on HI–6.

It then goes on, and I will not give you all of the details but it lists letters from October 11, 1983; November 29, 1983; December 19, 1983; May 10, 1984; and February 27, 1984. These are letters either between myself and National Defence or the minister at the time, in the case of this correspondence to Jean–Jacques Blais. The list goes on to show February 12, 1985 from myself to Dr. Mendoza and May 28, 1985.

Some of these letters were answered by the Right Hon. Joe Clark, some by the Hon. Erik Nielsen who was then Minister of National Defence, and some by the Hon. Harvie Andre who was Minister of National Defence. Some are from myself to the Hon. Jake Epp. Some are from myself to the Minister of National Defence dated August 3, 1988 and November 7, 1988, and answered by the Hon. Perrin Beatty. A letter of December 8, 1988 is answered by the Hon. Perrin Beatty. A letter of December 9, 1988 from myself to the Department of National Defence was answered January 18, 1989 by the Hon. Perrin Beatty. A letter of December 19, 1988 was answered April 4, 1989 by the Hon. Perrin Beatty.

There is then a document stamped "Confidential", Annex A to D Police Operations, dated March 1989:

25 Mar 88, Mr. Fulton interviewed by CKO–FM radio, Ottawa where he answered questions about chemical studies at DRES.

That is Defence Research Establishment Suffield.

20 May 88, Change of Circumstances Report on Connolly–Mendoza was initiated by Dr. Kimbell, Chief DRES. 27 Jun 88, SIU–

I have learned that is the Special Investigations Unit.

—responded to Dr. Kimbell's request for investigative assistance. Dr. Kimbell provided names of persons possibly involved in the information leak.

27–30 Jun 88, SIU review of background information indicated that Dr. Connolly–Mendoza was the prime suspect.

29 Jun 88, Request for assistance sent by SIUS Calgary to SIUS Esquimalt and Ottawa in an attempt to ascertain telephone numbers of Mr. Fulton. List of long distance calls billed to DRES also obtained."

Mr. Speaker: I am sorry. The minister is rising on a point of order. I hope the hon. member will realize that he went a little further in his argument before I intervened. When we get back to him I would hope he would keep that in mind.

Mr. Andre: Mr. Speaker, I do not want to jump to conclusions, but at this point in time all of the information the hon. member is talking about is news to I assume everybody on this side of the House. Certainly I was not aware of any indication of something coming.

I have not yet heard any accusation or suggestion of how the member's privileges have been interfered with. He talks about a list of correspondence that goes back in time and by implication of some behaviour that I assume he is going to establish at some point in time interferes with his privileges as a member.

I guess my request is to expect that there be some reasonable response in a reasonable time. I need to have some information from the hon. member as to what accusations are being made so that the required calls can be made to people who might have information and be able to respond. Otherwise we have, in essence, a kind of one–sided accusation with no opportunity to respond and that might create an inaccurate impression which I do not think is in anybody's long–term interest.

I guess my request is that he establish the accusation as quickly as possible so that we might undertake the necessary investigations on this side to be able to respond.

Mr. Gauthier: Mr. Speaker, I just wanted to comment that I was listening attentively to this intervention and feel that you should decide whether there is a question of privilege here, not the leader of the House on the government side.

In the past you have given us occasion to comment on these matters. I was waiting for the member to get to his point so that we would indeed be able to share with him this very important point.

Mr. Speaker: The hon. minister has risen. I am sure that he, as has your Speaker, has been listening with very great care to the information which the hon. member for Skeena is giving us.

I must say that it might be helpful, and I say this to the hon. member for Skeena, because given what clearly seems to be the gravity of the situation I have no intention of cutting the hon. member for Skeena off at any point. I am going to listen to what he has to say, but I think there is some merit in what the hon. House leader has said.

I wonder if just at this moment the hon. member for Skeena could sort of summarize or capsulize exactly what is the point of privilege. I will certainly hear him as he gives us what seems to be the evidence he wants to put in support of the point. I think it would be helpful and I think the hon. minister is on good ground here. He obviously has been listening very closely. He obviously wants to make inquiries. He has said, and we must accept his word, that this is coming as news to him.

If the hon. member could give us the point I will certainly hear the rest of the evidence. There is no question about that, but in courtesy to both sides of the House I think the suggestion of the hon. House leader is appropriate.

Mr. Fulton: Mr. Speaker, I have sifted out as many of the documents that I felt were not particularly relevant to the three points of privilege as I could. These are chronological documents prepared by the Department of National Defence. They refer directly either to me or to the Minister of National Defence, or to proposals for the Minister of National Defence to pursue during Question Period.

To deal specifically with the first one, which is where I believe my privileges have been tampered with most directly, it is in relation to the accessing of calls made to my offices. I will just list those in particular, and then I will go on particularly to the one that refers to the Minister of National Defence. I think these are the key ones.

Mr. Speaker: Perhaps I can help the hon. member. I have been listening as carefully as I think other members have. The suggestion on a memorandum that the hon. member apparently has that someone was trying to get the telephone number of the hon. member is something which I want to hear a little more about. That could or could not be, depending on all of the story, a question of privilege.

If there are other events in this chronology which the hon. member also wishes to bring to my attention as breaches of privilege, could he tell me what they are? Then we will see how far it is necessary to go in reading the evidence. It may well be that the hon. member can table all of this material with me. Of course it would be made available to the hon. House leader and the House leader of the Liberal Party.

If we could just ask the hon. member to address right now the question of the alleged breaches of privilege, then we will hear him out.

Mr. Fulton: Mr. Speaker, I will do that very quickly. The concern that I have is this:

> 27 Jul 88, MWO Ireland, SIUS Calgary, swore an information before Judge Laven in Calgary Provincial Court to obtain search warrant to search Alberta Government Telephone offices at Calgary for records of long distance phone calls charged to Connolly–Mendoza's residence phone. The warrant was issued and executed.
>
> 2 Aug 88, Alberta Government Telephone records obtained. Check revealed that during Mar 88, a phone call made from Connolly–Mendoza's residence to Mr. Fulton's constituency office in Prince Rupert.

Then there are references to the Official Secrets Act, which I will come to if you want me to pursue the phone calls.

• (1120)

The most severe matter, I think, in these documents involves the rights of all members of the House. It is a document from Colonel McCullough which I will provide for the record. This is a document between Colonel McCullough, the Director General of Security, and Captain Jean Genest, ADJT SIU.

Mr. Speaker: What is the date on that document?

Mr. Fulton: This document is dated April 25, 1989. It reads:

> I instructed Captain Genet, in the absence of both CO SIU and DCO SIU, to contact Maj Olexa and ensure that any electronic record of the 14 Mar 89 interview of Mendoza was preserved as real evidence in respect of this developing quagmire.

This is the key document. It is: "Department of National Defence, File No. PSIF 438 558 462. Record of Conversation" between Colonel W. J. McCullough, Director General of Security and Below. "Subject: MND Enquiries. Details: Discussed variously with: a. Capt Roy, DG Info— c. LCol Jones, DSC in person", then a name is blanked out, "MND staff. In essence—" a name is blanked out, "—says MND would like to expose Connolly–Mendoza in the House today if" blank "questions Minister on: a. political questions in 14 Mar 89 interview" name blanked out, "prerogatives as a Member. 3. We worked on several approaches designed to demonstrate that the Department has acted responsibly in this case. Unfortunately, that might necessitate abrogation of Dr. Connolly–Mendoza's rights under the Privacy Act."

You may recall that particular period of time, Mr. Speaker, in that my office on the Hill was burgled. Seven days later this scientist, with whom I had had correspondence always through ministers, was picked up and taken to a hotel in Alberta where he was interrogated seven days after the burgling of my office.

The only member of Parliament who was involved in questions in the House regarding this matter was myself. These other documents refer to Dr. Pauline Jewett in earlier parts of the investigation, but she was no longer in the House in March 1989. So these documents refer directly to me and they refer directly to a suggestion that the Minister of National Defence might want to violate the law during Question Period, which I think is a pretty severe suggestion to come from—

Mr. Speaker: Just a minute. I want something to be very clear here. I take it from what the hon. member has said that he is not suggesting that the then Minister of National Defence had necessarily agreed to any suggestion or had made any breach of any law of Canada. Do I understand the hon. member clearly? The hon. member is referring to a document that has come into his possession which suggests that somebody somewhere, in

writing to somebody within some kind of system of the Government of Canada, has made these suggestions.

I will hear the hon. member a little further.

Mr. Cooper: He has put a lot of names on record without a reason at this point.

Mr. Speaker: Well just a minute. I think I can anticipate the minister.

I have the hon. member's point with respect to trying to obtain the hon. member's telephone number, for whatever reason. One might divine what the reason is.

It seems to me the second point the hon. member is trying to make is that he has a document which suggests that somebody on the Public Service side of the Government of Canada has made a comment which would imply that a minister of the Crown might be advised to do or not do something in the House which might abridge the privacy rights of Dr. Mendoza. Is that the hon. member's point?

I will hear the hon. minister who seems to be concerned here.

Mr. Andre: Mr. Speaker, just to pick up on that very quickly, on the first point where the hon. member talked about the possibility of a breach of privilege he talked about an investigation into Dr. Mendoza where an affidavit was sought from the court; in other words proper procedure was followed, by these investigators to find out the telephone records of Dr. Mendoza. The fact that Dr. Mendoza may have at that time had telephone conversation with the hon. member seems hardly a point of privilege, but I will let the Chair look at that.

But on the second question, he seems to have a document which describes potential strategy being worked out by some officials that might be deployed by the Minister of National Defence in terms of dealing with a particular political issue. But as I heard the hon. member, as they devise the strategy they seem to be saying that unfortunately this strategy would involve violating the law. You are able to conclude from that, if you choose, that they went ahead anyway. If there is evidence to support that I would like to hear it. Or, you can conclude that they have sat down, worked out a strategy and found that unfortunately they could not proceed with it because it violates the law, which is hardly a condemnation.

I am still waiting for an accusation, if you will, some evidence of action by a member of the government or a member of the Public Service to infringe deliberately on the privileges of the hon. member. By standing up and relating these names and talking in a general sense, implying a kind of conspiracy perhaps and referring to a burgled office and by implication saying they are related, yet without evidence to support that, one could see where at least Colonel McCullough is having his name slandered to a degree here without any evidence being presented so far that he was part of some conspiracy to prevent the hon. member from fulfilling his duties as a member of Parliament, which is what privilege is all about.

Mr. Fulton: Mr. Speaker, if I had been allowed to put everything down in context I think it would be easier to explain. In the record of conversation I quoted it says the Ministry of National Defence "would like to expose Connolly–Mendoza in the House today if" blank "questions Minister on". Then it says that that would require abrogation of this man's rights under the Privacy Act.

But let me go on to point out in the same memo where it suggests that the House of Commons should be dealt with. It says:

> Dr. Connolly Mendoza was interviewed by Departmental investigators from Calgary on 14 Mar 1989. The interview took place in Medicine Hat, Alberta, Dr. Connolly Mendoza's place of residence. The interview, originally planned for 13 Mar 1989, was deferred one day to permit Dr. Connolly Mendoza to consult with legal and other counsel—
>
> It would not be appropriate for me to report to the House the specifics of such an investigation. Of course, the member may write to me, but I cannot guarantee full response.

At some point I have been involved over the eight years that I have in questions where I have been misled by answers from the government side, by governments both Liberal and Conservative, on this matter. There has been the Barton inquiry and so on. When one takes the time to look at the documents that I now have, in sum, one can see that there is something going on that is violating the rights of the members of this House.

I do not know on what grounds the Official Secrets Act was launched, but it is quite clear that part of that investigation involved me as a member of Parliament and conversations that I had had, because it is quite clear that they had gone with a search warrant and obtained

the record of calls made to my offices, not only here I suppose but clearly in Prince Rupert.

The points that I want to make I think are best made if I am allowed to put the context of some of these documents down, but I rest the matter in your hands. Giving it out by bits and pieces I do not think allows for the seriousness of the matter to be really understood.

Mr. Speaker: Perhaps I can assist the House. What I would like the hon. member to do, if it seems to be an appropriate suggestion, is to put together the documents which he has and let me have them. I think, in fairness, those documents should also be delivered to the hon. House leader and to the leader of the Liberal Party. Let us do that at this point. The hon. House Leader may be able to find information or he may very well want to respond, as may the hon. member for the Official Opposition. But I think that I would be in a better position to know just how to proceed with this if the hon. member could give me that information.

• (1130)

I am taking the hon. member's point seriously. However, I think that that is perhaps the most useful thing to do at the present time. If the hon. member will agree to that, that may be the best way to assist the House. I am in the hands of the hon. member for Ottawa Vanier who is speaking on behalf of the Official Opposition and, of course, the House Leader. I invite comment, if it is necessary, but it seems to me that this would be the appropriate thing to do at this stage.

The hon. member for Thunder Bay—Atikokan.

Mr. Angus: Mr. Speaker, just a question for clarification. It is my understanding that should the member for Skeena provide you and the House leaders for the government and the Liberal party with that documentation, at some point you will then allow the matter to return to the House for further argument.

Mr. Speaker: I want to assure the hon. member speaking on behalf of the New Democratic Party that that is exactly what I intend.

The hon. member for Skeena.

Mr. Fulton: Mr. Speaker, I am perfectly prepared to do that so long as there is an understanding, and I am sure it can be arrived at, that these will not be considered tabled documents. I will provide them to them as long as they are not made public. There are problems, and I am sure as soon as the two members and yourself see them, Mr. Speaker, you will see why some of them simply cannot be made public because they are people who would be harmed by so doing.

Mr. Speaker: I am impressed and I am grateful for the comment that the hon. member for Skeena has just made because we may be dealing here with very sensitive information indeed. That does not mean that we should not deal with it, but the caution that the hon. member has put forward is one that all of us, as members of the House of Commons, can understand.

I will hear the hon. House Leader.

Mr. Andre: Mr. Speaker, I would agree with your suggestion. I appreciate the comments from members of the New Democratic Party that they also concur, and you certainly have my assurance that these documents will be kept confidential for the reasons that the hon. member gave.

[*Translation*]

Mr. Speaker: Does the hon. member for Ottawa—Vanier wish to make a statement?

Mr. Gauthier: No, Mr. Speaker, except to say that of course we will respect the confidentiality of the documents also.

[*English*]

Mr. Speaker: I hope that people who are watching will see this as an example of how serious people on a serious matter can deal in a co-operative way. I thank the hon. member for the intervention, I thank the hon. House leader for co-operation and the hon. House leader of the Official Opposition. I will receive the documents. I will be in contact with all three parties and we will return to the House at an appropriate time.

The hon. member for Thunder Bay—Atikokan, on a point of order.

Routine Proceedings

POINT OF ORDER

APPOINTMENT OF DEPUTY SPEAKER

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on a totally unrelated matter, I rise on a point of order to seek an indication from the government as to its intention *vis-à-vis* an appointment or a selection of a new Deputy Speaker. As of last Friday the current Deputy Speaker was moved on and upward into cabinet and that position in effect has remained vacant.

At the House Leaders meeting earlier this week the matter did receive some attention. It was suggested by my colleague, the member for Kamloops, that perhaps now was the time, given that there was a vacancy, to take the next logical step in the democratizing of this House and have the position of Deputy Speaker elected in the same way, Your Honour, that you were elected.

Mr. Speaker: Before there is any response, I cannot help but remind the House of the words I have just listened to. The former Deputy Speaker I am sure is considered by all of us to have fulfilled those duties with great distinction. I want to say on the record that he fulfilled those duties on behalf of all of us with great distinction.

The hon. member for Thunder Bay—Atikokan says he was moved "on and upward". As Speaker of the House, yes he was moved on, but I am not prepared to say that he was moved upward at all.

Mr. Gauthier: Mr. Speaker, I tend to agree with your point that the Deputy Speaker did not move upward. I would like to remind members that we do not have a former Deputy Speaker. We still have a Deputy Speaker until he is replaced. To use the words "former Deputy Speaker" is wrong. If we have any suggestions to make to members of the NDP in their perhaps seeking the position of Deputy Speaker, we would like to have a conference on that.

Mr. Andre: The House leader of the Official Opposition made one of the points. Technically, there is not a vacancy. Appreciating the fact that the Deputy Speaker currently may not be available to share the duties that Deputy Speakers usually do, I will be having discussions with the hon. member and the Official Opposition, hopefully very soon, to discuss how we might proceed.

In terms of the question of election, we should appreciate that the procedures we now use for the election of the Speaker and so on were as a result of the recommendations of the McGrath Commission on Parliamentary Reform. We are following those. If it is appropriate to reconstitute some such commission to look at further changes, that is another question. At this point in time, I think we should carry on with the excellent recommendations of that commission which we now have in place.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN RADIO-TELEVISION AND COMMUNICATIONS COMMISSION

TABLING OF NOMINATION

Hon. Harvie Andre (Minister of State to Prime Minister and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a nomination which was recently made by the government. Pursuant to the provisions of Standing Order 110(2), it is deemed referred to the Standing Committee on Communications and Culture.

Mr. Waddell: I wonder if the government House Leader would indicate who the nominee was.

Mr. Andre: The Minister of Communications nominates Fernand J. Belisle, of Kinburn, Ontario, to be a full-time member and vice-chairman of the Canadian Radio-Television and Telecommunications Commission.

* * *

STATUS OF WOMEN

INTERNATIONAL WOMEN'S DAY

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I am indeed proud to rise today on the occasion of International Women's Day to make my first formal statement in this House as Canada's minister responsible for the status of women.

Traditionally, International Women's Day has been an opportunity to reflect on the progress made to advance women's equality. Indeed, there is much we can cele-

brate in this regard. Women in Canada today have access to an unprecedented range of choices and opportunities in employment, in the roles and relationships they wish to pursue, in the lives they want to lead.

[*Translation*]

However, women know that they must remain vigilant, not only to protect the gains they have made but also to pursue the objectives that are still necessary for them to achieve equality.

[*English*]

The women of this country know that equality is much more than the absence of discrimination. Equality governs one's over-all well-being, one's ability to live life to the fullest. There is no such thing as equality for some; true equality means equal treatment and equal opportunities for everyone in all spheres of life. It is toward that goal of true equality that all of society must be dedicated.

[*Translation*]

The women of Canada recognize how vitally important their efforts to achieve equality are, not only to the current generation but to all generations to come.

• (1140)

[*English*]

We want the best for our children, our daughters and our sons. We want them to grow and to thrive in a society characterized by harmony and tolerance. We want our children to be free and able to find fulfilment in whatever life path they choose. At the same time, we also want the best from our children. As parents, we invest in our children's lives, not only our hopes for their individual success and achievement, but also our dreams that they in turn will take up the banner to work for the betterment of their own society and the generations that will follow them.

Let us be mindful of our Canadian society of the future as we set our sights on the new decade and the work that must be done to eliminate the remaining obstacles to women's equality.

[*Translation*]

Today we applaud the fact that women's roles and aspirations are growing and expanding at an accelerated rate.

[*English*]

Those in our society who are dedicated to serving women's advancement toward equality must not only keep pace but also be flexible enough to move and adapt as the goals of Canadian women change and broaden.

To respond to the challenges facing women today, new methods and new approaches are required that are based on co-operation and mutual understanding. New partnerships are required among all the parties who play a role in women's lives, partnerships involving business, organized labour, non-governmental organizations, community and voluntary groups, and all levels of government working together with women to achieve equality and a better, safer and more tolerant society.

Our government is strongly committed to women's equality. The progressive legislative changes already put in place provide a solid basis for further action. Our government will continue to work as a full partner to ensure and promote the rights of women in this country to full and equal participation in our society.

[*Translation*]

Mrs. Coline Campbell (South West Nova): Madam Speaker, I have the honour today to speak for the Official Opposition on the status of women, on this International Women's Day.

[*English*]

I listened with interest to the words of the hon. minister responsible for the status of women and I congratulate her on her new responsibilities. I must say that I found it interesting as much for what she did not say as for what she did. The button that we were given before coming into the Chamber today is a shame. A black button on dark suits will not be seen anywhere in Canada. I would have thought she would have withheld this button from even being sent on.

The institutional framework which has been put into place since 1970 has facilitated progress on a wide front for women. In unprecedented numbers, women entered the paid workforce. The so-called traditional family

mould where the man went to work while the wife stayed home with the children has been broken decisively to the point that by 1986 it applied to only 16 per cent of Canadian families.

Although individual women have achieved in the workplace and have had great successes, the status of the average woman, although improved, leaves a lot to be desired. We still have a long way to go to achieve true equality in the workplace. As long as the wages of women are lower than men, as long as women are treated as a workforce that is available at low wages in bad working conditions, we still will not have equality in the workplace. As long as women have to carry the double burden of working and taking the full responsibility for the family, we cannot have equality.

I am afraid, and I say to the minister in her position that this government's most recent budget shows just how vulnerable the silent majority in Canada is. We have seen this government begin to dismantle the institutions women have struggled so hard to put into place. Funding was almost completely eliminated for some 80 women's centres, often the first line of defence against physical and mental abuse.

Day care is still considered to be a woman's issue. Perhaps that is why this federal government felt safe to renege on its promise to enact national day care legislation. This very day we see day care workers in Halifax and across Canada striking because they are paid so little.

If we continue to allow this government to cut at the infrastructures women need, such as the Canada Assistance Program which funds day care and is being cut in three rich provinces, if we continue to see an unemployment insurance program that in many areas of the country allows women to get into the workforce to be cut back or to put a harder emphasis on it, and if we look at the employment equity bill that this minister was involved in, we will know that the condition of women has gone downhill.

We will also know that it continues to allow the simmering across Canada of impressions. We do not need ministers who continue to use women as the butt of sexist jokes, nor do we need ministers who put up with it. I do not want to say anything about the new first for a woman minister of justice, but the abortion bill is a harsh piece of legislation for any person. It is a contestable piece of legislation. In other words, we will allow the continued simmering across Canada of attitudes that allow violence and hate against women in the home and in the workplace. This government has to wake up to that. We cannot have situations such as that which happened at the University of Montreal.

The nicest thing that I have learned being a woman in the working world and in the world in general is that it is enjoyable to have challenges and experiences and to be able to do exactly what everybody here in this House achieved by an equal process. There were no barriers. But that is not what we see out there. We need fair play in the home and we need fair play in the workplace. We will not achieve it unless we are vigilant.

In the words of Sylvia Gold of the Advisory Council on the Status of Women:

[*Translation*]

> The watchword for Canadian women in the 1990s is vigilance: vigilance to recognize new threats to the social, economic and legal status of women.

I do not wish to continue, but it gives the direction the government should follow and we do not see that today. We see that the status of women does not attract this government's interest.

[*English*]

I say to the government and the new minister that the 1990s taking us to the year 2000 will be a full challenge for this government and for all governments in Canada, and will improve the situation of the women right across Canada.

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, I rise today to respond to the minister's statement on International Women's Day. I am pleased to have that opportunity. In reference to some of the comments that my colleague from the Liberal party made about the button that we have today for International Women's Day, perhaps the colour of the button denotes something about the budget that this government has just brought down.

I want to congratulate the women of Canada for their dedication to achieving real equality for women. I also rise to join my voice with theirs against this government's agenda for women, which the minister barely mentioned.

The minister talked about an unprecedented range of choices for women, but she did not mention that this government is currently in the process of taking away the fundamental choice for women. With its Criminal Code

abortion law, the government is taking away the right to choose the fate of our own bodies and our own lives.

The minister talked about a partnership with voluntary groups. She failed to mentioned that core funding for over 75 voluntary women's groups has been completely withdrawn by this budget. She did not mention this government's constant attack and undermining of the women's program from Secretary of State. For the second year in a row there are big cuts to the women's program budget.

• (1150)

She did not mention this government's refusal to meet with the umbrella organization which represents over 600 women's groups in Canada. Will the government meet with that organization this year?

She talked about a government strongly committed to equality for women. I would like to know where is that government. It is certainly not the government that I see on the other side of this House.

The Minister did not mention that under the government's draconian economic policies the wage gap between men and women has actually increased.

She failed to state that in this budget the funding mechanism for social assistance, the Canada Assistance Plan, has been strangled for three provinces, including my province of British Columbia. This is the program that funds child care. Canada has made international commitments to the principle of child care. Canada has failed to deliver on them. This government has failed to deliver on that.

The Canada Assistance Plan funds shelters for battered women. That has been capped in three provinces in Canada. The shelters that are so desperately needed will not be provided. The minister has failed to report that this government deindexed the family allowance program and put an end to the universality of income support for mothers.

The minister said that she was proud to rise today to make her first formal statement in the House of Commons as the new Minister responsible for the Status of Women. Is she really proud of what she is saying? Is she proud of this government's shabby record on women's issues? I cannot believe it. I hope not.

The minister talked about equality. I say and the women of Canada say that this government does not really know the meaning of the word equality. This government is attempting to silence the voices of women. Our voices will not be silenced. We will join together. Women will continue their struggle for true equality. Women will continue their struggle for social and economic justice for all in our society.

* * *

[*Translation*]

INTERNATIONAL ASSEMBLY FOR FRENCH SPEAKING PARLIAMENTARIANS

TABLING OF FIFTH REPORT ON ACTIVITIES OF CANADIAN SECTION

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, pursuant to Standing Order 34, I have the honour to table, in both official languages, the fifth report on the activities of the Canadian section of the International Association of French Speaking Parliamentarians.

Since the chairman of the Canadian section was unable to attend the meeting of the international executive, held in France from January 28 to 30, 1990, I had the honour of representing the Canadian section on that important occasion.

As the Canadian section's representative, I therefore welcome this opportunity to table the report on this meeting, and I may add that it was a very interesting experience, and that I was very much impressed by the quality of the proceedings I attended.

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

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PETITIONS

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I have five petitions with 1,354 signatures. Your petitioners object to the goods and services tax because this new tax will be hidden in the sale price and apply to practically everything Canadians will buy, and because implementing this new universal tax on goods and services will create serious and undue hardship for low- and middle-income Canadians and put an additional burden on small business.

[*English*]

GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, pursuant to Standing Order 36, I present the following petitions of the undersigned residents who bring their grievance to the House and to you, Madam Speaker, to provide a remedy.

The petitioners state that since September 1984 the Conservative government has imposed 31 new taxes and tax increases; that since September 1984 the manufacturers' sales tax has been increased from 9 per cent to 13.5 per cent; that the government wants to impose a new general goods and services tax of 7 per cent. This new tax will be hidden from Canadians and will be applied to virtually everything they buy. They feel that the imposition of this new GST will cause serious and unfair hardship to low and middle income Canadians as it is very regressive. They are also angry because the imposition of this tax will create an onerous burden on small business.

Therefore, they ask the Liberals, on behalf of Canadians, to strongly impose this new GST tax which is an unprecedented grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment.

Therefore, I deposit for your information a group of signatures in this regard.

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Madam Speaker, I also have a number of petitions which it is my duty to present in the House. These petitions come from my constituents in St-Paul-de-Kent, Cap Pelé, Merry Corner, Cocagne, Moncton, St-Charles, Buctouche, St-Louis-de-Kent, Paquetville and from places throughout the riding.

I also have a number of other petitions, all on the same subject, which object to the government's tax proposals. Your petitioners humbly ask Parliament to reject this new tax on goods and services.

[*English*]

RIGHTS OF THE UNBORN

Mr. Fernand Robichaud (Beauséjour): I also have another petition from people in my riding, particularly from Pointe du Chêne, Shediac, and Shediac Bridge who want to express their views on the protection of life and say that at the present time there is no law in Canada to protect the life of the unborn child from conception to birth. The petitioners humbly pray and call upon Parliament to formulate and legislate a law to protect life.

[*Translation*]

WESTMORLAND RURAL REGION

Mr. Fernand Robichaud (Beauséjour): Madam Speaker, I also have a few other petitions from people in my riding who want to see the riding's rural areas separated from the Moncton urban area for the purposes of unemployment insurance. Certain changes have been made but the rural area of Westmorland is still classified as part of the Moncton urban area, and is thus at a disadvantage.

[*English*]

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have a petition signed by people from Milk River and Warner, Alberta, who share, with the majority of Canadians, sentiments concerning the proposed GST, sentiments which can only be expressed as great opposition to the imposition of this sales tax which, as we know, they do not have in Alberta. The petitioners claim that this will be an unprecedented tax grab from the pockets of Canadians in Alberta and will hit them not only with higher taxes, but will produce higher inflation, higher interest rates and higher unemployment.

I encourage people to participate and continue to oppose this very regressive tax.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some hon. members: Agreed.

• (1200)

[*Translation*]

The Acting Speaker (Mrs. Champagne): I wish to inform the House that, because of the ministerial statement, government orders will be extended by 15 minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, March 6, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government.

The Acting Speaker (Mrs. Champagne): Order, please. The hon. member for Ottawa—Vanier on a point of order.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, since you have just announced that the House will be sitting 15 minutes past the normal adjournment time for lunch I wonder if the government might consider—I know the NDP members are agreeable because I did consult them—sitting through to two o'clock so as to give members of the House an opportunity to debate the budget. This being the last day, I think it would be a good idea if as many government and opposition members could comment on the highlights and let Canadians know that we are opposed to such a regressive and ill-conceived budget.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion made by the hon. member.

[*English*]

Mr. Cooper: Madam Speaker, of course we on this side always like to see adequate time for debate. I am wondering if the House leader for the Liberal party is also willing to take the extra 15 minutes tonight that would be consumed by bells and pass the motion on division.

We voted on the opposition amendment. We voted on the NDP amendment. Perhaps what we could do is pass the motion tonight on division which would give us another 15 minutes as well.

Mr. Gauthier: Madam Speaker, I find that absolutely unacceptable. We want to vote against this budget, whether it is at six o'clock, seven o'clock or eight o'clock tonight. We do not care. We will sit later today if the government wants to and debate this very bad budget.

In terms of voting on it, we will sure as heck stand in our places against it.

Mr. Angus: Madam Speaker, I too want to indicate that we will be here standing in our places voting against the dastardly budget of this government.

There are still a number of members from all caucuses who still have not had an opportunity to participate in the budget debate. Surely, it would be appropriate to add on the few minutes that there are between the end of this morning's session and the start of Question Period in order for them to have an opportunity to speak.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): There is not unanimous consent.

At the end of yesterday's sitting there was still 10 minutes left to members of the Official Opposition. I will then recognize the hon. member for Mount Royal.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, there are so many worrisome concerns that need to be addressed in this uncaring budget presented as a no-tax increase budget, which is far from forthcoming on the part of the minister or the government. It is hurtful to Canadians in need of shelter. It is hurtful to Canadians who need better education facilities and better health facilities.

My colleagues are looking at these various areas that all need careful examination and should be reconsidered. However, there are some things about this budget that are even more shameful.

There is the supposed cut in the defence budget, the absence of anything on the environment, or anything to deal with drugs, with illiteracy, with child care and today, in particular, which is International Women's Day, the cuts to women's programs, the cuts to the CAP that

ensures a day care program—in fact the absence of day care is really a tragedy. However, I wish to focus and participate in this debate particularly looking at communications and culture. That is the perspective I would like to address.

First, let us look at native communications. Cuts to the native communications programs at the Department of the Secretary of State which account for the major cuts in that department will affect 16 native communication groups across Canada. Hardest hit and actually wiped out will be the aboriginal language newspapers, many of which have been given six months to close down their operations.

The Inuit Broadcast Corporation says that this program cut wipes out basic communication services for thousands of native Canadians living in small isolated communities. A service most Canadians take for granted is broadcasting and newspapers in their own language, something which just seems so normal. This government has sent a clear message to the founding peoples of Canada. The message is: you don't matter.

With respect to the provisions in the government's budget on the privatization of our telecommunications sector, the privatizing of Telesat Canada shows that it is still trapped in a market force ideological view. It also shows that it has failed to learn that our communications system works well because it has been carefully crafted over many decades. It works well because it all fits together.

You cannot simply remove one element, one wall from the house, without considering the whole system. This government obviously has no vision for Canada, except how to dismantle it. Petro-Canada is another example of that.

Telecommunications are just as important an economic force or an economic lever for Canada that is required and needed for us to be able to move forward into the 21st century. From this government it has been promises, promises for a national telecommunications policy for the last five years. Yet we have had no follow-up on that and no follow-up on the Supreme Court decision that would ensure that this vital sector remains in the federal domain.

However, within this vacuum the government wants to privatize Telesat, a cornerstone of our communications system, purely for profit motives and not from a public policy mandate point of view. It is disgraceful.

It is easy in difficult financial times for governments to slash expenditures on culture, to see it as an extra, as a frill. But I believe that it is in these very hard times that this sector should be supported. These products, these creations, these manifestations of expression of our inner selves need to be promoted and protected, for culture is what a country says to itself and about itself, as well as to others, whether it be through the creative medium of the theatre, film, television, novels, recorded entertainment, painting, architecture, ballet or dance. It is what makes a people interesting. It gives us a presence, a sense of worth, a sense of self-respect worthy of attention on the world stage. It is how the people of a country express their dreams and hopes, and how they talk about their past and their future. It is what they care about.

Culture is about the conservation and appreciation of the past, of our diverse backgrounds, of our heritage. But it is also about the future, about innovation and creation, the creative imagination of who we are and what we want to become.

We believe as Liberals that investment in the arts is an investment in Canada's future. It is a common language that binds and builds for a stronger Canadian society.

We believe that cultural endeavours contribute to what Edward Blake once so aptly described as the cultivation of the national spirit. We could certainly use a good dose of that building of national unity, of shared dreams across this land.

The Canadian vision is not new, but it is just with preserving, cultivating and promoting it which will bring the kind of nourishment and encouragement that is required. It seems to be absent from the leadership across the floor of this House.

I would like to say that Canada's cultural community's contribution to nourish the mind and the soul of its people has been diminished with the revelations of this government's budget and the unveiling of its Estimates. Canadians deserve better.

A recent Department of Communications working paper stated that the impact of vibrant cultural exploration, of striving for creative excellence on performance

in all forms of research, creative analysis and innovation is vital to Canada's competitiveness as a society.

We are also told by the Department of Communications that the cultural sector has out-performed most other sectors of the economy in the creation of jobs over the past two decades, and that Canadian cultural attractions have been recognized as powerful assets in the development of tourism.

The value of the economic activity created by cultural endeavours has also been recognized. This is an industry that grosses in excess of $9 billion and directly generates 150,000 jobs.

As well, the employment training and job creation aspects of the cultural sector are impressive. It is labour intensive. Its workforce is highly educated and mobile. The sector's strong contribution to tourism and economic development has resulted because of support reflected in federal, provincial and municipal policies and programs.

• (1210)

It is unfortunate that this government in its latest budget is not continuing that support. At a time when the strength of our cultural life is becoming more and more important and much more deeply appreciated to identify us as a very important and independent nation among the family of men, I find this government's pretence for the support an unconscionable smokescreen.

Just add the planned impact of the GST on this whole service sector—hotel bills, restaurants, taxis, theatres, movie houses, health and sports spas, country fairs, folk arts, museums, libraries, books and magazines. As people pay the tax on the stamp for the postcard they bought, to which the GST has been added, to write home, they are going to be writing: "Don't bother to come. Go elsewhere, otherwise you will be taxed from gas to food to entertainment. In fact, you will be taxed to death".

Any pretence that this government has a cultural policy was put to rest with the Wilson budget. The Conservatives once again took aim at the CBC with cuts of $20 million over the next two years to its capital equipment budget. This comes after $140 million in cuts and 500 in staff reductions. We will have to wait to see if the CBC will be able to continue to provide high quality delivery of programming, not to mention Canadian content.

I would remind you, Madam Speaker, that last night at the ACTRA Awards we saw cuts and clips from *Switchback*, one of the programs which was just recently cut.

Furthermore, the $13 million in freeze over the next two years to Telefilm, coming after the decimation of tax incentives for film and video productions, no film distribution bill and no film policy show that this government has no intention of building, let alone sustaining, a Canadian film industry.

This government has pulled the guts out of our most pervasive and cultural mediums—the film industry and public broadcasters. They are the instruments that shape the intellect and the imagination of Canadians, and we are not providing any Hollywood alternatives.

With respect to provincial and municipal spending, if you look at the figures of Statistics Canada, Madam Speaker, you will see that provincial governments spent a total of $1.34 billion on culture in 1986-1987, 60 per cent of which was financial aid to artists and cultural institutions. At the municipal level, municipal governments also sustain the arts. They spent a total of $774.8 million on arts and culture, which represents 17 per cent of total government expenditures at all levels.

With the cuts that are going forward in the federal-provincial transfer grants, there is the potential for a domino effect, and cuts in the fields of cultural production at both the provincial and municipal levels.

As well, an announcement by the President of the Treasury Board in December eliminating existing arrangements for municipalities on radio licence fees for mobile radios used in emergency services, such as ambulance, fire and police, as well as for public works and transit vehicles, increases their costs. Presently, the municipalities pay a flat fee of $236 for one base station and one mobile radio. For example, Orillia will now go up to $6,535. The city of Vancouver will pay $70,174—70 times more than its current budget.

I will tell you that if you have these kinds of increases for fire, ambulance and police, they will be pitted against support for the arts.

I would like to conclude by saying that Canada's cultural life has been impacted negatively by this Conservative government. It will long remain one of the worse legacies to Canada, if you examine it across the centuries.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Madam Speaker, I listened with great interest to my hon. friend's speech on the budget. She touched on a number of areas having to do with the Department of Communications.

On the issue of the Radio Act items which she just touched on, I wonder whether or not she supported those measures in committee. I believe she did. That was a bill which passed through this House in 1986, if I am not mistaken.

On the question of the privatization of Telesat, I understood my hon. friend to say that it was being privatized for a purely profit motive and that there was no policy purpose in the privatization. I would ask her whether or not she agrees that Crown holdings should be privatized when no policy purpose remains in the government holding.

I would also like to ask my hon. friend what her view is of telecommunications policy. Would she like to have the telecommunications bill in the House at the same time as the broadcasting bill is in the House? Or would she rather wait until it is in the other place?

Mrs. Finestone: Madam Speaker, am I allowed an hour? I thank my hon. colleague, the parliamentary secretary, for his questions.

He well knows with respect to his third question—I will go backward with my responses, if I may, although my policy does not go backward—concerning a telecommunications policy bill being in the House at the same time as the broadcasting bill, I think it would make good sense. We would be able to look at both. I had asked the minister, if the parliamentary secretary will recall, as we were in the process of examining the broadcast bill, that if his telecommunications bill was not ready, then at least could he deposit a white paper or a draft bill so that we could look at both bills and understand the interaction between the converging telecommunications and broadcasting fields. I think it would have been a good idea.

If he wants to withdraw a terrible broadcast bill now, I would be prepared to look at—

Mr. Edwards: You wrote half of it.

Mrs. Finestone: Don't faint! I wrote half of it. The half I wrote, I like. The half you did, I do not like.

Let us move on to Telesat. I would suggest to the hon. parliamentary secretary that there is a place in public policy for an integrated telephone and telecommunications system. It would be a telephone system that would be universally accessible and affordable. It is through the controls inherent in Telesat that we could ensure that.

With respect to the Radio Act, I would ask the hon. parliamentary secretary and the government to go back to look at the amendments and the arguments I brought forward. They were specifically related to two things. The first was volunteer services and the potential for taxation in fire departments and other sectors which have equipment which uses mobile phones in the voluntary sector in small rural areas, for example, snow removal equipment. The second was the impact on municipalities. We saw the potential there during the course of dealing with that bill. I tried to bring forward an amendment. However, I received an assurance from the minister of the day, who is not the present minister, that the municipalities would not be impacted negatively. You can see how much that word was worth in today's market-place.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, I would like to thank the hon. member for Mount Royal for her presentation. Since today is International Women's Day, I wonder if she could talk a little about the cuts and how they are going to affect women in the field of communications.

Mrs. Finestone: Madam Speaker, I wish there were more women involved in the broadcasting industry, in the CBC, at the National Film Board, in the infrastructure of those organizations which should be reporting under the concept of the Employment Equity Act. Unfortunately, we do not have enough women, as we do not have enough visible minorities, within these particular structures, whether it is private sector broadcasters and cable companies or the public sector broadcasters.

The employment equity bill, Bill C-62, passed through the House. That bill punishes a corporation if it does not deposit a plan of action, but it has no financial penalty within its purview. A positive step forward was not enacted. That is one of the reasons why the government

has not been effective in the promotion of women in the arts and culture scene.

• (1220)

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, I am very pleased to have the opportunity to participate in the budget debate. I also had the privilege of speaking in the debate on the first budget of this government back in 1985. I was proud then of the steps taken by the government in that budget. I am proud of the fact that we have stayed on the course that we set for ourselves at that time. I am proud that today's budget continues in that tradition.

We have had to do a number of things, none of them, I am sure you would admit, Madam Speaker, are easy. We have had to restrain the growth of certain government programs. We have had to freeze others, reduce some and eliminate still others. But all of them are continuing Canada on the course that was set by the Minister of Finance in late 1984, that is, to tackle the deficit.

We have heard a lot of criticism from the members of the opposition. When I think of being a member of the opposition—and I have never had that experience—it seems to me it would be an easy job to do. They oppose all attempts to control government spending. They oppose all attempts to increase government revenues. To top it off, they propose nothing.

I take it that is a theory of theirs to regain popularity and to regain the government of this country. It did not work for them in 1984. They know it did not work for them in 1988. I am going to suggest to them again, and they can remember me saying this to them here, it is not going to work in 1992. Canadians want a government that is willing to take the kind of tough decisions that the Minister of Finance has been taking these past six years.

I would like to talk a little bit about some of the elements of this budget. One of them is the freeze on EPF, Established Programs Financing, which has been frozen for the next couple of years. I would like to speak specifically with respect to my home province of Ontario.

The first point I would like to make is that it is not that the federal government does not support provincial government services. We do. We believe provincial government services are important. In this budget alone we will contribute over $30 billion to the provinces to help out in the area of provincial concerns.

When we are trying at the federal level to deal with a deficit that is over $300 billion, certain questions have to be asked. Some of those questions are these. Who is in the best position to help out in the funding of provincial services? I can tell you that I know that the province of Ontario can help out.

Let us face the facts. For 43 years the province of Ontario had a Progressive Conservative government that managed this province very well. Since 1984, assisted by the policies of this government, there have had boom times in the province of Ontario. So is the province of Ontario able to help share the burden of providing provincial government services? I think it is.

I can tell you that we certainly got a boost the day before the budget. I noticed the provincial treasurer in Ontario—and I am reading from an article in *The Globe and Mail* of February 20—had just discovered $952 million in "unanticipated revenues". That was certainly a boost in sharing the burden of provincial services, one that I am sure all of us in this House appreciate at a time when the federal government is trying to come to grips with this difficult deficit.

Madam Speaker, you have heard in this Chamber on many occasions complaints from members of the Liberal party in particular. They complain about the Conservatives referring to the time when they were in office. You have heard it many times, and I heard it just recently on Tuesday afternoon. A Liberal member of Parliament was complaining. He said: "Why do the Tories always bring up what we did in government? Why do they always want to talk about the Liberal record? Why do they not talk about what they have done?"

I can tell them that I am very pleased to talk about the Conservative record, and I will talk about the Conservative record. I have always wondered where I heard that complaint before, that plea, that bleating not to talk about our record here. I remembered where it was. It was from the days before I was a member of Parliament when I was a legal aid duty counsel. I used to represent people on bail hearings. Very often the last thing in the world people who are up for bail wanted to have discussed in court was their record. If you had their record, many times they would say: "Well, that was so many years ago. Do we have to talk about what happened in the past?" That reminds me of the Liberal party. I can tell you, Madam Speaker, I am pleased at all times to talk about the Conservative record in 1984, 1985, 1986, right up to 1990. That is the difference between a Liberal

and a Conservative. They do not want to talk about what they did in government because they are ashamed of their record.

On the subject of the Liberal record, let us talk about it a little bit. When we took office in 1984 the deficit was over $200 billion. Just the interest on that $200 billion is now $120 billion. So we have $320 billion of debt left to us by the Liberal party. If members of that party want to know how long I am going to talk about it, I will talk about that Liberal debt until it is paid off by our children and grandchildren. That is the length of time that Canadians should remember, and remember after that if they ever consider voting Liberal again. That is how long they should remember that debt. We are still waiting for those Liberal party solutions to this problem.

I was interested to hear that the former Liberal Prime Minister of this country is coming out with a book. I am sure it will be very helpful to the discussions going on in Canada today.

I am going to tell you about the chapter I want to see. If the former Prime Minister of this country, Mr. Trudeau, has so many great ideas as to what this government should be doing, I want to hear what he has to say about the deficit. He and his policies created that $200 billion deficit that has grown to $320 billion. I think it is reasonable to hear what he has to say in terms of being helpful in solving this problem that we all face.

I think that Canadians can accept the directions that have been taken by the Minister of Finance. When people point out to me that we are down in the polls I always say to them: "You don't change economic policy in this country on a month-to-month basis depending on what the polls say".

As well, I tell them that if irresponsible spending would keep you in power, if spending money that you do not have, if spending money that you have to borrow would have kept anybody in power the Liberals would have been in power in a one-party democracy forever. But it did not work for them, and it is not going to work again in the future.

When I talk about Liberal spending—and I love to do it—I am reminded of so many examples in my area of the Niagara Peninsula. I remember for instance one woman telling me after I was elected: "You know we had a project here, a very worth-while project. We received a cheque from the government and we didn't even ask for it. We hadn't even applied and it arrived in the mail". I said to her: "You know as worth while as some of these things are I can tell you, Ma'am, that the days of spending money, of passing out money without people even asking for it are unfortunately coming to an end".

I see I have only a couple of minutes left. I can tell this House for the benefit of some hon. members in the Liberal party who question whether the Conservative party is behind the Minister of Finance that the members of this party are behind the Minister of Finance. They are behind the policies that he has taken in 1990, just as we have been behind him since 1984. Not only is that good for the Conservative party and is going to keep this party in government, we know it is good for Canada.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am delighted to hear the hon. parliamentary secretary make a fire and brimstone speech in trying to fire up the troops. I can understand they need it when their riding associations are being taken over by anti-GST forces that want to force out the members of this House on the Conservative side who are voting for this silly legislation. They are trying to fire their members out; they want to replace them. I can understand his nervousness and his attempt to fire up the troops and say that the members are all behind this bill because they know they are going to pay a price for supporting this budget and supporting the disastrous policies that this government has instituted over the last five years, policies that have cost the Canadian people billions, and the hon. member knows that.

• (1230)

The hon. member talks about his anxiety to discuss Conservative policies and his willingness to defend the record of incompetence for the last five years. Would he discuss with the House the level of tax increases that we have had? Would he produce the figures on the addition-

al revenue that this government has gouged out of the Canadian public in five years of economic mismanagement and compare the amount it has taken from the people with the size of the deficit?

Let us examine what it has called budget reduction. We keep hearing, and I have heard it at least three times during the course of this debate, that 70 per cent of the cutbacks in the deficit are a result of cuts in government spending. I would like to hear how much of it in fact was the result of increases in taxation which the Conservatives have gouged out of the Canadian people. That is the figure we should be looking at in this House. That is the figure the hon. parliamentary secretary should be referring to. I invite him to come up with those figures now. Perhaps he does not have them.

Mr. Nicholson: Madam Speaker, I am very pleased to respond to the member who raised the subject of tax increases. He specifically referred to the GST and challenged me to defend Tory tax increases.

I can tell the hon. member, I do not shy away from them at all. I have said here that there are cuts in government spending, there is restraint in growth in government spending, there have been changes in tax and there have been tax increases in the last five or six years. I have been pleased to defend them because I know it puts Canada on the right track.

I was at an all–candidates debate in the 1988 election and somebody thought they would pin me down by asking: "How could you have gotten rid of the home ownership savings plan? What possible reason could you have?". I said: "It is for the money. The federal government is in financial difficulty. " That is why we have had to overhaul the tax system. That is why we have had to make cuts in government spending, because we know it is necessary.

Now the hon. member talked about the GST. I am going to tell you something. I was more than passing interested in the debates the other night between the Minister of Finance and the Liberal critic on the subject of finance of the GST. I love to look at newspaper articles and certainly to see newspaper articles from the province of Alberta. Just let me give a few examples of what they were saying in Alberta after the finance critic from the Liberal party spoke. One of the editorials in the *Edmonton Sun* stated: "No new ideas". It was referring to the Liberals. "No new ideas".

The Edmonton Journal states: "A Grit's empty promise". That is what is thought about the Liberal finance policies here. The *Edmonton Sun* referring to the Minister of Finance, "Mr. Cool should be happy". It says: "Liberal hedges debate pledge. Wilson's leadership shone in GST clash".

In the *Globe and Mail*: "Confusion increasing over Liberal GST stand". Why should that be any different than anything else? Why should it be any different than the Liberal Party on Meech Lake or free trade or deficit reduction? That is just par for the course. But I will be fair, maybe the Liberals are just confused about the big ticket items. We are behind the Minister of Finance. Maybe the Liberal critic should talk to his colleagues and figure out where they stand on the GST.

The Globe and Mail got it right. I would be glad to table this if any of the hon. members would like me to. Certainly I would be pleased to send this out to any of my constituents.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is over.

[*Translation*]

Resuming debate. The hon. member for Outremont.

Mr. Jean–Pierre Hogue (Outremont): Madam Speaker, last week, since the House was not sitting, I took advantage of this opportunity to talk to my constituents in Outremont.

I wanted to know more about their concerns, their expectations and their problems. Although age and interests vary, on the whole, the people of Outremont are concerned about the environment, income stability, interest rates, employment, immigration and the future of their community.

I also heard some comments, not always very favourable, on the Budget brought down on February 20 by the Minister of Finance Although not everyone was satisfied with the Budget, all the people I talked to saw the Budget and the minister's agenda as an expression of the government's will to provide even more efficient management and to bring the deficit and our national debt under control.

Madam Speaker, this is the Progressive Conservative Government's sixth Budget, and once again, it reflects the government's thoroughly consistent and serious approach to meeting its objectives. It is the culmination of five years of hard work during which the government has reviewed and updated regulatory procedures, revamped our tax system by lowering tax rates and eliminating loopholes, abolished trade barriers, improved manpower training programs and turned around the country's economic situation.

Despite gloomy forecasts, over 1.5 million jobs were created since the beginning of our term, and among the major industrial countries, only Japan's economic performance outshipped ours. However, to provide for an even more prosperous future, we must eliminate our deficit and reduce the debt, making Canadians less vulnerable to the impact of interest rates and to inflation which is a threat to us all. They will feel more secure and will be able to operate even more effectively.

We must act now, in a manner that is both effective and compassionate, to control our debt while maintaining the programs and services we cherish. This is the only way we can preserve a climate conducive to maintaining our economic, social and psychological development.

To act now, Madam Speaker, means ensuring that the electorate, the citizens of Canada, become even more aware of their important role in determining the future of their country and our society.

Previous Liberal governments encouraged Canadians to depend on government and often forced them to do so. After the war, the central government was given a mandate to help the country and its citizens recover from a situation that had destabilized the economy. We had to reconvert from a wartime to a peacetime economy. This position was sound because we had a vigorous economic recovery. The reconversion went well. However, instead of letting Canadians continue to become more dynamic, the government decided to keep on exercising power by controlling the economic levers rather than trusting Canadians. It wanted to keep the leading role and increase the process of centralization, thereby keeping the spotlight on its supposedly brilliant performance.

Under Mr. Trudeau, who claimed to have contempt for nationalists, the government and he showed a distrustful nationalism towards the Americans and the obvious differences among the provinces. This mistrust resulted in undue control and supervision, as with the Foreign Investment Review Agency; the nationalization of several industries could only lead to increased dependence.

He succeeded in developing passive behaviour and discouraging, if not killing, creativity and innovation. Everywhere people showed "sweet indifference".

We reached the point, Madam Speaker, where someone who was thinking of starting a new project would first find out what grant programs were available. By repeating that people had rights, we made them forget that they also had duties and resources. We were depriving them of the pride that comes from doing something oneself. We were preparing poorly for future challenges.

We all know that in a competitive world like today's, only the most inventive and most able to benefit from their environment can win.

Experts think that the latest Budget is reasonable, courageous and responsible.

• (1240)

Bernard Landry, the former PQ Finance Minister, described it as a very good budget. He even said that, under the circumstances, it was a tremendous achievement.

Personally, I suggest that this budget opens an era of individual initiative enhancement. It emphasizes the responsibility of institutions, groups and individuals. It is a perfect tool which will allow Canadians to build up their self-esteam based on their own achievements.

Needless to say, the Government will continue to help the most destitute regain their self-sufficiency, increase their awareness of their self-worth while relying if need be on Government programs and services.

Like all the other Members of this House, we, of the Quebec caucus, have emphasized the areas where the Government could continue to improve its administrative efficiency and we shall continue to work toward the implementation of spending restraint.

Finally, the Government will especially seek to improve further the productivity of the governmental process by working toward a closer relationship with the

Public Service. We carry out a very careful selection of Government employees and we are anxious to hire the best candidates. By encouraging a climate more conducive to dialogue in the face of a common objective, our Government will successfully reach its goal which is to ensure future generations a superior quality of life.

Madam Speaker, you will note that I am not referring to figures as such. I feel that this Budget is as much, if not more a reflection of a management philosophy as an ideological position.

As a matter of fact, Madam Speaker, I have stated before in this House that culture comes before economy. From such a statement stems also the fact that a realistic budget must reflect reality as closely as possible. If it is true that a person could not mortgage his or her health with impunity, it is also true that a society could not indefinitely mortage its future. A balance must be achieved. All individuals must put their psychosomatic portfolios in order. Human nature has its needs which no one can disregard.

The Canadian society had reached the point of no return. The machine was starting to overload as a reaction to the consecutive budgets which, before 1984, had resulted from unrealistic expectations, as if the country would never reach the bottom of the barrel, as if there would be no end to growth for growth's sake.

Well, the Canadian people, in their wisdom, have asked this Progressive Conservative Government to stop this hemorrhage. But for a great many years the Minister had to live with past commitments and deal with the law of inertia. Before a crisis, is upon us the minister did talk a Budget which will put an end to this downtrend and put us on the road to recovery.

Madam Speaker, although the Budget may seem tough, the Canadian people generally want it. It is a common sense budget we should all be proud of.

Mrs. Maheu: Madam Speaker, I thank the hon. member for the opportunity to ask him some questions which might help me clarify a few points for the benefit of my constituents. I have the feeling that I drew the attention of all members of the House the day I rose to ask for a grant on behalf of the Missing Children network. Six-odd months later they finally did get a grant for three jobs, I believe. Jobs, jobs, jobs and the creation of many jobs are issues we often hear about in the House. I do not recollect the exact figures because I think they are not quite correct. When I talk about three jobs in my riding I am referring to three part-time jobs, and that works out to only one job over a 12-month employment period. Would the hon. member for Outremont explain how he can boast about creating so many new openings when in most instances these are really part-time jobs? We might get a more realistic figure if we were to divide by three.

Mr. Hogue: The question of my opposition colleague raises an interesting and important issue. Indeed it is a basic issue, and all members of the House and all Canadians, I would suggest, have to take a stand and endeavour to find the most acceptable solutions to such a wide-ranging issue. Surely my colleague does not expect me to play the role of the various ministers who have the mandate, the responsibility and, perforce, the wide array of knowledge to respond specifically to such a question. As I understand the question, it has to involve more than three part-time jobs in the riding of Saint-Laurent—Cartierville because the same thing happens in the riding I represent, just as it does elsewhere across Canada. Indeed, similar concerns and questions are raised in the various university faculties where applications for scholarships or labour income support cannot all be fully entertained.

I conclude therefore that the question of my colleague raises a broader issue. This is why at the end of my remarks I said it was a question of—I will not use the word ideology—but a question of philosophy. Either we decide to centralize even more and, willy-nilly, the people will identify with a process of dependency. This wall-to-wall theory did prevail in Quebec over a number of years. We even saw a Quebec Finance Minister who, after having favoured this wall-to-wall program approach for some time, decided that there was a price to pay for always expecting the federal and provincial governments to have enough money. This redistributed money must come not only from the pockets of Canadian citizens but also from the work they get paid for. Part of their pay is taxed by the government and returned to them as services. This distributive justice operates across the country.

• (1250)

To conclude, in answer to your question, I repeat: it is a matter of philosophy. The Minister of Finance and the Progressive Conservative Party have more faith in decentralization and believe that individual drive combined with group dynamics will increase production. The return on investment is bigger than with centralization, as we experienced it, fortunately or unfortunately, under the Liberal government of Mr. Trudeau, which made our population more dependent and more passive and led to less creativity and innovation.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, this year's budget will be remembered as a budget of half truths and deviousness. It is a near-sighted budget without any vision of the future, a budget that hurts the under-privileged and that does not even try to avoid the impending recession.

The Minister of Finance claims the deficit is now under control. Can we believe him? Since this Tory Government was first elected in September 1984 the national debt increased twofold from $170 billion to the current $350 billion.

The Tories' mismanagement of the economy is reflected in the somber outlook for the current fiscal year. Unemployment inflation, and interest rates will jump up and international financial markets have lost confidence in our dollar.

We are verging on recession, yet the Minister of Finance suggests we should not try and avoid it.

The minister claims there is no new taxes. He simply passed on to the provinces an $8 billion debt. And certainly the GST will be the worst tax grab in Canadian history.

The minister claims that deficit reduction is not harming social programs. But he is cutting health care and social welfare. Social housing funding is cut $165 million over five years, making more serious the situation of the 200,000 homeless Canadians and all those spending more than half of their income on rent.

To cap it all, the minister claims the budget is fair. But regional development assistance is cancelled for all practical purposes, as the Americans wanted.

More than 5,000 veterans under palliative care because of old age will have to pay more than $3,000 each for their hospital beds. Natives once more are the target of budget cuts. Official Development Assistance once more is cut. At the same time, large corporations are getting governement tax handouts while defence expenditure, still at a high level, do not reflect the new world political situation.

The budget tabled by the Minister of Finance is unfair and near-sighted. It ignores today's economic problems and includes no agenda for the new decade.

[*English*]

I want to continue by looking at the budget in some detail. As the co-critic for forestry for my party, I think it is important that we look at the forestry sector as well. To do that, I want first to quote from the Minister of Forestry on the establishment of the new forestry department. I think it is a credit to the government and to all parties here that we passed such a motion in the House to develop such a department.

The minister states in his communiqué: "The creation of the department is an acknowledgement of the government's firm commitment to our forests". That sounds good. The words are nice, but the record shows that in the government's budget last year, the one that was supposed to be committed to forestry, it cut the forestry department's budget by 11.9 per cent. This was a new department cut by 11.9 per cent.

This year, funding has been cut by $47.6 million from $206.9 million, which is a reduction to the total of $159.3 million. If we look at the forecasted expenditures of $231.4 million, the reduction is 31 per cent, a reduction of $72.1 million. One wonders where that commitment is. Words are nice, but the action is not there.

If we examine the forestry department closer and look at the agreements, I must say that the government was wise in renewing the forestry agreements in New Brunswick and Nova Scotia. That is a positive step in the right direction. There is nothing wrong with that. However, there are four other provinces whose agreements expired last year, namely, Ontario, Manitoba, Saskatchewan and Alberta. What is the government waiting for?

This year agreements will expire with Newfoundland, Quebec and British Columbia. The Estimates will show that there is no money put aside for any new agreements. We must wonder what type of commitment this govern-

ment is sold to, or whether it is just going to give us some words?

The minister stated in his budget tabled in the House on February 20 that there will be no new taxes. It is hard to believe. When we look little further into the budget, it deals with says something along the lines of sales tax reform. It also has: "The Impact of the GST". I find it hard to believe that he would say that there are no new taxes. We never had a GST before. The government plans on implementing it in this fiscal year, and it says that there are no new taxes.

When we add to that the cuts to the transfer payments to the provinces, there will be tax increases. If there are not there are certainly going to be program cuts, so it is hard to believe that someone could say that there will be no new taxes.

While I am on the point of taxes I would like to read a paragraph from the Liberal minority report that summarizes my thoughts on the GST quite plainly. "The GST proposal would create economic disruption, increase taxes on average families, introduce an unprecedented level of complexity into the tax system, impose further hardship on low income Canadians, remain hidden from taxpayers, shift the tax burden in several important ways in Canadian society without the government fully understanding the long term effects of the shifts, cause financial difficulties for provincial governments and harm many sectors of the Canadian economy." Anyone wishing a copy of that quotation may contact my office. But that sums up what the Liberal Party feels about this GST. It also sums up what most small businesses and most people in Canada feel about it.

When we were in government we talked about fairness too, but at least our words meant something. We were fair. At least we attempted to be fair. Let us look at the budget document a little more closely and study the revenue table. The parliamentary secretary a while ago was talking about the Conservative record and how proud he was of it. Let's look at that record.

When the Conservatives took over in 1984, the percentage of personal income tax revenue was at 41.3 per cent. In other words, the government received 41.3 per cent of its revenue from individuals through income tax. In 1988–89, that figure, lo and behold, is up to 44.3 per cent and rising. But if we look at the corporate sector, in 1984 the percentage it paid was 13.2 per cent and now—it is hard to believe—that percentage is down to 11.3 per cent. Individuals are paying more and corporations are paying less. It does not seem to gibe with fairness.

• (1300)

The Acting Speaker (Mrs. Champagne): I apologize to the hon. member. I was advised that the hon. member was sharing the 20–minute period. As the hon. member has said, he started at 10 minutes to one o'clock. I would ask the hon. member to sum up, please.

Mr. Arseneault: Madam Speaker, you are right, 10 minutes was the allotted time. I apologize to the Chair.

[*Translation*]

I move, Madam Speaker: That this sitting be extended over the lunch hour to give an opportunity to the largest possible number of members to speak on this bad budget.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

And fewer than 15 members having risen:

The Acting Speaker (Mrs. Champagne): There not being 15 members rising in objection to the motion, according to the provisions of Standing Order 26(1)(6), the motion is deemed to be carried.

Motion (Mr. Arseneault) agreed to.

[*Translation*]

Mr. Tremblay (Lotbinière): Madam Speaker, the hon. member's comments were interesting, to a certain extent, although I did find them rather surprising, especially when, in his capacity as co–critic for Forestry, the hon. member mentioned agreements that had not been renewed but are now being discussed. He referred to his own province of New Brunswick, in the Maritimes where he acknowledged the government had injected quite a bit of money. His criticism, however, was mainly directed to various cutbacks in the departments, and he made a point of saying that the Conservative Government had doubled the deficit since 1984. Is the hon. member aware of the fact that when his party, the Liberal Party, came to

power in 1968 after 100 years in Confederation, we had a cumulative debt of about $18 billion and no annual deficit, and that the first annual deficit occurred in 1975, when his party was in power, and that their government was the first one to have a deficit, and that in 1980, the annual deficit was $11.5 billion? In 1984, when Canadians dumped the Liberal Party, there was an annual deficit of $38.3 billion. The cumulative debt at that time was $200 billion. Was the hon. member aware of that? And did he know that in 1984, there was an operating deficit of $16 billion? And here I am not referring to the debt. This year, however, is the second year we have had an operating surplus, now $9 billion, down from an operating deficit of $16 billion. Did the hon. member know that?

Mr. Arseneault: Madam Speaker, I thank the hon. member for his question. He certainly asked a long question with many statistics. I want to tell him that the government's statistics are rather confused, more than ours. I want to assure him that our party did not raise taxes 31 times since 1984, certainly not.

I thank the hon. member for his question. He certainly asked a long question with many statistics and I shall answer him that the government's statistics are somewhat confused, more than ours. I want to assure him that our party certainly did not raise taxes 31 times since 1984. I would also like to tell him that the deficit, or rather the debt, doubled under the Conservative Party. That is a fact.

Mr. Tremblay (Lotbinière): It is because of interest rates.

Mr. Arseneault: It is not due to interest rates. You are the ones who raised these taxes; it is your fault, it is your government, and you are going to pay for it. I have just come from Alberta and I must tell you that you will pay for it because the people of Alberta have had enough of you. The same goes for New Brunswick, and I must add something. You mention agreements, that it is good for New Brunswick, but we are all part of a single country and we should share all together, the whole country. You should not conclude one kind of agreement with some provinces and another kind with some other provinces. We should share. That is the Liberals' philosophy, but it is not the Conservatives' philosophy. It is not your government's philosophy and therein lies the problem.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is now terminated. Resuming debate, the hon. member for Malpeque (Mrs. Callbeck).

[*English*]

Ms. Catherine Callbeck (Malpeque): Madam Speaker, I too would like to take part part today in this budget debate on the last budget which the Minister of Finance has just submitted.

I want to do so in the context of a province that has not yet fully recovered from the last budget, the one that we had in 1989. My province certainly well remembers the last budget because it dealt such a blow to the people of Summerside, in fact to all Islanders, when it was announced that CFB Summerside would be closed.

As Islanders, we have a special pride in the quality of life that exists in our province. Our predominantly rural outlook allows us to maintain a sense of community and unique values which cannot exist within an urban environment. Prince Edward Island has often been called the million acre farm because rural activities flourish from one end of our Island to the other.

We are very proud of our lifestyle, but I can tell you that we certainly are concerned with the government's policies which consistently erode rural life in our province.

We were very proud of Canadian Forces Base Summerside and proud to be part of Canada's national defence program. Last year, the budget really devastated Prince Edward Island with its arbitrary decision to close CFB Summerside. Today, on March 8, practically a year later, we still do not have any firm commitment from the government.

I have addressed the House many times on the issue of CFB Summerside. The government has to come to terms with the enormity of its decision to close the base, and it has to take responsibility for that decision.

The loss of this base has caused severe hardship, economically, socially and emotionally, in Summerside and the whole surrounding area. The government has been asked time and time again to take responsibility for the decision to close the base, and yet the federal government refuses to listen.

A budget has been brought down and still it contains no special help for the people affected by the closure of CFB Summerside. This closure announced last April would cost the area approximately 1,200 direct jobs, an annual payroll of approximately $40 million, or more than 2 per cent of the total provincial economy. Certainly our pride as Islanders has not diminished, but our faith has been shattered.

• (1310)

The government's 1990 budget contains measures which will certainly cost Prince Edward Island millions of dollars. The largest cut will come from the money that we will be losing under Established Programs Financing. My province will lose approximately $35 million in five years and about $12 million to $13 million within the next two.

The federal government started cutting these payments back in 1986. The cuts up to 1990 were to have totalled $11 million, but now on top of that we have another $12 million to $13 million, and that is all within two years.

In his budget speech the finance minister spoke about building a secure and rewarding foundation on a solid foundation. That foundation is education, but the government has been eroding that foundation persistently since it came to office and it has truly put this country's future at risk. This policy error is even more serious for a province like Prince Edward Island which needs a well trained workforce to lead it into the 1990s and beyond and to self-sufficiency. With continual cuts to education and the neglect of the Canada Student Loans Program, Ottawa is condemning my province to a future of dependency on the federal government. It is bad policy, it is bad economics, and it is bad for Prince Edward Islanders.

This budget also contains a reduction to Marine Atlantic's operating subsidy of approximately $9 million over a two-year period. This is only the most recent cut for this Crown corporation. Since 1985 the government has effectively reduced Marine Atlantic's subsidy by $52 million. Now 37 per cent of the cost of operation for Marine Atlantic comes from the users of the system, so 63 per cent comes from government subsidy. Here again this subsidy is being reduced. That means that Marine Atlantic will have to cut services, cut expenses, or increase fares. Only time will tell whether rates will have to be increased again.

The list of program cuts which affect my province and therefore impact on our economy is lengthy. There is the cancellation of the Postal Services Review Board. This comes at a time when Canadians need a forum to voice their concerns about Canada Post. Certainly across Prince Edward Island many Islanders are upset with Canada Post's policy to close rural post offices. This review board provided an independent body to keep an eye on the state of the postal service in Canada.

Another aspect of its mandate was to help Canada Post achieve its objectives. It certainly leaves the question: what is Canada Post's objective? Here again, it convinces Islanders that the government is eroding our rural lifestyle.

The cut in funding to the Veterans Independence Program is yet another example of where the government places its responsibilities. It plans to streamline this whole program. It is going to cut $18 million out of the program, and that is money that could provide a great deal of care and assistance for those in need.

The intent of this program is to assist veterans in maintaining or improving their quality of life by helping them remain healthy and independent. Without proper funding this program cannot provide the necessary services to veterans who so willingly provided their services. As Canadians we owe a great debt to our veterans and certainly they deserve to be treated fairly. In my province we have close to 1,200 veterans who are in need of the Veterans Independence Program, and approximately 200 of them live in my riding of Malpeque.

The list continues with cuts to programs under the Department of National Health and Welfare. The loss of funding to this department will also contribute to the undermining of the quality of life of Prince Edward Island.

I see that my time is running out. I have a great deal more to say about this budget, and certainly I will be speaking at a later time in the House.

[*Translation*]

Mr. Tremblay (Lotbinière): Madam Speaker, I listened to some parts of the hon. member's speech with great interest. I just want to refer to what she said about her province of Prince Edward Island. If I am not mistaken, she said that, since 1985, we have cut several million dollars if not fifty million or so. How did she get to that conclusion considering that since 1984 up until the last budget, transfers to the provinces increased on average by 6.5 per cent and that this budget provides for an increase of 3 per cent in transfer payments? If she can,

would she be kind enough to tell us at the same time what were in percentage Prince Edward Island's expenditures in those two periods, 1980–84 and 1984–90?

[*English*]

Ms. Callbeck: Madam Speaker, in answer to the first question, when I say cut what I mean is that we had Established Programs Financing funding in place that was supposed to increase according to a certain formula every year. The government has gone back on the amount of increase. That is what I am talking about. Expenditures are going up every year. There is inflation. The province felt we had a program in place and the government has cut back on that.

In answer to your second question with regard to the expenditures, I do not have them presently here on my desk but certainly I would be glad to get that information to the hon. member.

• (1320)

[*Translation*]

Mr. Hogue: Madam Speaker, I listened to our colleague from Malpeque very closely and with real interest. With your permission, I would like to ask her a question that might widen her consideration of the matter.

I remember what she said and quote her own words:

[*English*]

We are very proud of our lifestyle. She repeated that information twice.

[*Translation*]

I think all of us, in Quebec, in the Maritimes and in western Canada are as proud as she is of our way of living.

I will get to my question shortly, but I too would like to go back to 1975 and quote words to our colleague. The then Minister of Finance said: "Last week, the Prime Minister—he was talking about Mr. Trudeau—referred to the extremely difficult situation we are in. He did not promise any quick or easy solution because there is no such solution. However, he showed the way to go to bring back to the country its opportunities to survive economically in a world where survival must keep on subscribing to the principles of responsibility, we must not give up, we must continue to play a leading role." And the minister back then in 1975 gave Canadiens a sure indication. Mr. Lalonde said: "We must—

Mr. Gauthier: Let us hear the question.

Mr. Hogue: It will come, but I had to put in perspective.

Some hon. members: Get to it.

Mr. Hogue: Yes, I will, give me just two minutes to finish what I was saying.

The Minister of Finance said: "We must cut expenditures." And Mr. Trudeau, back from Bonn, was making an about-turn, talking about government restraints, imposing them, but in any case, the debt kept piling up.

[*English*]

We are very proud of our lifestyle, but someone has to foot the bill.

[*Translation*]

How would you reply to that, Madam?

[*English*]

Ms. Callbeck: Madam Speaker, certainly I can tell the hon. member that we on Prince Edward Island are very proud of our quality of life. I would invite the hon. member to come to the Island any time and experience firsthand what I am talking about. As far as the—

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member, but the time for question comments has now expired.

Mr. Gauthier: Madam Speaker, I rise on a point of order. I do think we have a problem in the House when during the question and comment period, be it a five or ten minute period, members who just spoke and who are supposed to be the object of questioning are subjected to what we just saw. Government members get up to make speeches and extenuating statements which do not give the member who made his speech a chance to reply. I think that is unfair.

Possibly we should refer this whole question back to a committee of the House so we can come up with an answer to the problem which has been with us for the last while. Indeed questions and comments have to be short questions and short comments. Otherwise, the whole process of making a debate in this House is

becoming a monologue for the government to put its propaganda on the record, and I object to that.

[*Translation*]

The Acting Speaker (Mrs. Champagne): I understand the hon. member's reaction very well. However, I feel that he should also realize that for some time, when we consider bills like this one, for example, the various parties have the habit or prefer dividing the 20-minute period into two 10-minute periods, which in fact leaves only a 5-minute period for speakers to answer questions or comments following their speech.

I think that the hon. member would agree with me that a 5-minute period is really very short for everyone to have a chance to express themselves.

The hon. member for Malpeque (Ms. Callbeck) took a little more than 10 minutes, which I let her do to finish her speech. We had two minutes for the first exchange and then three minutes.

Obviously, I think that everyone would gain if the period for questions and comments following a speech was really used for short questions and short comments followed by short answers as well.

Resuming debate, the hon. member for Lotbinière.

Mr. Maurice Tremblay (Lotbinière): Madam Speaker, a few minutes ago, there was a motion to continue the debate. I was very kindly asked to make a contribution, and I therefore welcome this opportunity to take part in the debate on the latest Budget brought down by the Minister of Finance because—I won't be long—it is an excellent Budget and you will see why.

First, somewhere in the Budget it says, and I quote the conclusion:

Mr. Gauthier: What page?

Mr. Tremblay (Lotbinière): Just a minute, I will get the text if I could just have a few seconds. On page 16 of the French text, in the conclusion, it says in the first sentence, Madam Speaker:

> A nation's true sovereignty is determined by the ability of its people to shape their own future.

Mr. Gauthier: Sounds great!

Mr. Tremblay (Lotbinière): Yes, it does, and this reminds me of the upcoming press conference with your former prime minister on March 20. He says—the press is already reporting his comments—that the Free Trade Agreement is a worse threat to our sovereignty.

Speaking of the Americans, I will try to be objective about this. According to an American sociologist, the Constitution of 1982 is a worse threat to Canadian sovereignty. Not the Constitution as such but the fact that we enshrined the Charter of Rights and Freedoms. When we compare American and Canadian institutions, we see that here in Canada, with its Anglo-Saxon tradition in our institutions, here in the House of Commons, for instance, we have a collective hierarchy where rights and privileges are given collectively. In the United States they have the Bill of Rights and the emphasis is on amendments and individual claims. In this particular area, however, Canadians have been assimilated to a far greater extent. Taking a closer look at the Machiavellian schemes of your former prime minister, his purpose in enshrining the Charter was to direct challenges against Quebec's Bill 101.

Madam Speaker, that being said, what damaged our sovereignty most is the deplorable state in which the economy was left by the Liberal Party in 1984.

As I said to the hon. member for Restigouche—Chaleur, remember that in 1968, because history is important—To plan for the future, we must understand the past. In 1968, a hundred years after Confederation, our national debt was $18 billion. No annual deficit. No constitutional problems. Everybody was part of the constitutional family. The country was in fine fettle. At the time, we were paying 12 cents on every tax dollar to service the debt and we even had enough to pay back part off part of the capital. After 1968, the first time the Liberal Government incurred a deficit was in 1975. Five years later, in 1980, we had a record annual deficit of $11.5 billion. From 1980 to 1984, the previous government went from bad to worse. No cutbacks, certainly not! It increased government spending at an average rate of 15.1 per cent annually, when it already had a deficit of $11.5 billion in 1980. Since 1984, we have managed to bring this average rate down to 5.2 per cent.

• (1330)

What is even more astonishing, Madam Speaker, is that if we do not include the cost of servicing the debt, the previous government increased program spending at an average rate of 13.9 per cent, and this was only for its operating budget. All those election goodies were part of the 13.9 per cent. Since 1984, however, we have managed to keep increases in program spending down to an average of 3.5 per cent. This year, the increase will be only 3 per cent, well below the rate of inflation.

From $11.5 billion in 1980, the annual deficit grew to $38.3 billion in 1984. This was too much for Canadians. After 100 years we had a deficit of $18 billion. In 1984, it was up to $38.3 billion. When we consider the operating budget alone, without the cost of servicing the debt, it is a real disaster. The operating budget indicates what the government collects in the form of taxes and income tax, and what it spends.

In 1984, the operating budget plus interest charges amounted to a deficit of $38.3 billion, but the operating budget alone showed a deficit of $16 billion.

In 1989-90, we turned this operating deficit of $16 billion into an operating surplus of more than $9 billion, and in fact we did this two years in a row. In the 1990 Budget we are forecasting a surplus of $13 billion for next year's operating budget. Granted, we still have a deficit of $30.5 billion. It is simple arithmetic. With the debt you left us in 1984, and this was $38.5 billion annually, a cumulative $200 billion since 1975—imagine, in ten years, less than ten years, $200 billion worth of debt! If we consider our present debt, $350 billion, $120 billion of that goes to service it, so over the past five years, 80 per cent of our debt consisted of the cost of servicing it. How can you accuse us of doubling the debt when today, Canadians are not really getting their money's worth, because they are paying the bill in tax dollars, and besides, we have an operating surplus of over $9 billion. I don't know whether you are good at arithmetic, but we mentioned earlier what percentage of the debt actually consists of interest charges.

Can you imagine, we would need a budget surplus in excess of $40 billion! And if ever we reached that level the deficit by then would be well over $600 or $700 billion! You have not even an inkling of the predicament your government left us in, yet today you have the nerve to tell us we doubled the deficit. As a matter of fact we will double it again in the next few years because, if you attended school long enough, you must have learned that we operate in a compound-interest environment. As if this were not enough, remember that when we attempted to reduce some programs—like de-indexing old age pensions—we were faced with endless protests, parades and demonstrations accusing us of being heartless slashers. You never did co-operate—

The Acting Speaker (Mrs. Champagne): I should like to remind the hon. member that his remarks should be addressed to the Chair rather than directly to his colleagues. I have tried to be discreet about it. The hon. member for Lotbinière.

Mr. Tremblay (Lotbinière): With pleasure, Madam Speaker. It is all the more pleasant to look at and address such an understanding person.

As I was saying, Madam Speaker, not only did we double the deficit the Liberals left us—from $200 billion in 1984 to $400 billion in the not too distant future—but in all likelihood we will double it over again even before we begin repaying the capital, given the unimaginable debt the Liberal Party saddled us with. First things first, we have to pay the interests on the debt if we want to pay back the capital. Still we must go on and this is what I have in mind when I talk about an operating budget. In the last two years and over a five-year period we went from minus $16 billion to plus $9 billion. We have a surplus right now. That is the kind of thing which bears repeating. For five years now we have been criticized for every cut-back, yet now we are told we have doubled the deficit. Well, Canadians deserve an explanation. The fact is that the belt-tightening approach of the government has now given us credibility on the international scene, and we want to put a light at the end of the tunnel so we will eventually pull out of the doldrums. Lets us face it, one or two generations will not be enough to restore the country back to the healthy condition the Liberal Party found it, for example from 1968 to 1975 and even 1980 when they were in power. Madam Speaker, a few generations of Canadians will be needed to help us reach that ideal situation.

Throughout the budget debate a good many references have been made to the reduced payments to the provinces, and just a moment ago the hon. member for Malpèque (Mrs. Callbeck) had a lot to say about that. The hon. member for Restigouche-Chaleur (Mr. Arseneault) also mentioned that the federal government was

"passing the buck" by shifting its deficit to the provinces. As far as I am concerned, Madam Speaker, I obviously am from the province of Quebec. We must see things in the proper perspective. Again, since 1984 when we took power, the increases in transfer payments to the provinces have so far always been about 6.5 per cent. This year, the Finance Minister said that for the 40 federal departments, the spending increase, not the cuts, but the spending increase would be about 3 per cent. The same goes for the provinces. The hon. member for Malpeque just said, "Yes, but we had long-term programs planned, which means that we have to readjust." Look, we have an annual budget and that is what the provinces and their finance ministers as well as the Minister of Finance of Canada have to work within.

• (1340)

Do you know, Madam Speaker, how much we pay annually in transfers for the three main programs to the province of Quebec? It is about $10 billion. Bringing the increase from 6.5 per cent to 3 per cent this year will save about $221 million. But this saving must, again, be taken in context: the transfers will still increase, but by 3 per cent, not 6.5 per cent or so, the same as for all departments.

We must remember that the transfers to the provinces are for three main programs: for equalization, it is a very complex formula which is applied in full. The second program is the Canada Assistance Plan. The province of Quebec will have no reduction for these two programs because, unfortunately, Quebec is considered a poor province for this purpose. So those two transfer programs have no cuts. The $221 million affect the third program which is the Cash and Tax Point Program. For the province of Quebec $221 million represent 0.6 per cent of the Quebec Government's expenditures during the last fiscal year, or 0.7 per cent of their last estimates. So when they refer to unloading into provincial yards, things must be put back into context. This is unfortunate, because Quebec is a wrong example in the sense that as far as spending growth is concerned, and this is why I put the question to my colleague from Prince Edward Island, the growth rate in Quebec is in the order of 4–4 1/2 per cent. This is not outlandish as compared to Ontario's 9 1/2–10 per cent growth rate. What I mean is, provinces also are part of the problem.

A majority of them spent more than the inflation rate, and the Minister of Finance has led or intends to lead back provinces, which also is the aim of the exercise, to a program spending growth rate that is more appropriate to the state of the economy. Because if the predictions made by the Minister of Finance are accurate and the economy resumes a normal cruising rate, who will benefit if not the provinces? It is therefore important in this exercise that not only Canadians as such but also institutions, governments also do their share, ensure that citizens are aware of the enormity of the legacy we had to tackle, willy nilly. It is not a matter, Madam Speaker, of suggesting how smart and how bright we are, because the figures speak for themselves. From a $16 billion deficit on program expenditures, we have succeeded over five years in achieving a $9 billion surplus, and for next year the forecast is $13 billion. But as you see, we still have a long way to go to level off and then start repaying the principal which—as unbelievable as its may be—will top the $600—$700 billion mark. Imagine the interest rate on that level of debt!

Madam Speaker, when they speak of forfeiting sovereignty, this is first and foremost what is implied—the economic situation. And when they suggest that in spite of what the Minister of Finance said that there is not tax increase they keep referring back to the GST, Madam Speaker, everyone knows and you know in particular that tax reform, this new goods and services tax is aimed essentially not at creating a new tax per cent but at replacing the existing federal sales tax which would you imagine has been around since 1924, and which, as early as 1944, was the target of a royal commission report calling on the government of the day to amend it, to abolish it and to reform it.

For over 45 years, governments have been trying to replace this unfair and inadequate taxation system with a new one. That is the purpose of the GST. Let us not forget that Canada is essentially an exporting nation; 80 to 85 per cent of everything we make is exported to countries with a GST-like system. Producers in those countries are not penalized by a domestic sales tax like ours. How can we put our own manufacturers at a disadvantage when we are essentially an exporting coun-

try? It is contrary to common sense. If ridicule could kill, Liberals would have disappeared long ago.

We are trying to return to a rational economy and to promote our national growth by allowing Canadians to compete on a level playing field. This is how we will create more jobs for our people who, as workers and consumers, will pay a consumption tax.

The solution is not imposing a surtax on four or five products such as gas, tobacco and alcohol which are now taxed at up to 84 per cent. This shows a definite lack of imagination in finding new ways of taxing people. Our present tax is unfair and inadequate, since most of our trading partners have this form of taxation. It is called for, particularly in light of the current free-trade policy and the opening of world markets. It is important that this government act responsibly and offer the Canadian people an adequate tax reform leading to the prosperity we all want.

Mr. Arseneault: Madam Speaker, I want to congratulate the minister for his speech and his energy. I also wish to make a few comments. If my colleague would look at table V on page 142 of the Budget document, he would see that in 1984, when his party took power, personal income tax represented 41.3 per cent of total government revenues, whereas now it is up to 44.3 per cent. On the other hand, corporate income tax went down from 13.2 per cent to 11.3 per cent. Personal income taxes went up while corporate income taxes went down.

I agree with the hon. member that we have a problem with our debt our deficit but I also think that the solution—and I don't believe that the government is insensitive—is not to cut social programs. That is absolutely unnecessary. There are other solutions to consider.

My first question is simple: Can you explain that table? My second question is related to International Women's Day. I would like you to explain why $1.4 million has been cut from the Women's program as announced in the Budget this week.

Mr. Tremblay: Madam Speaker, I do indeed thank the Hon. Member for Restigouche-Chaleur for his question, because caution is required when we deal with figures. Of course, between 1984 and 1988, there was an increase from $41 billion to $44 billion, and we know why. It is clear. The Government is faced with a huge debt. It is compelled to raise taxes. The Government did not invent anything. But it has discovered a new way to collect revenues.

• (1350)

That is the interesting part. In the second column, under "Corporate income tax", the budgetary revenues went down, as he said, from 13,2 to 11,3. As you know, madam Speaker, we have tried very hard to reform our tax system by eliminating a great many loopholes. A great many more corporations are being taxes: On the other hand, we must not overlook the fact that corporations, under a capitalist system, must show profits. Just the same, if we raised the tax rate to 25 per cent instead of 13 per cent, corporations would charge consumers 26 per cent, because they need to show at least a one per cent profit. Otherwise, they close down.

This is the difficult challenge the Minister of Finance had to face and he did it in an outstanding fashion by lowering the tax rate to make our corporations more competitive, while widening its scope, by eliminating the loopholes and by taking into account the consumers' ability to pay.

Finally, I must say I am as unhappy as he is about the $1,4 million cut to the women's centres. In my own riding, Madam Speaker, there are three women's centres whose representatives came to my office asking what they were going to do. I told them that clearly, as citizens, they had to carry their share of the burden. But theirs are not the only cut in the budget. There are 39 other departments.

Except that, and it is very important, that is where the Hon. Member should take action. Personally, we shall try first of all to show some imagination in dealing with these women's needs which we know and are aware of. We must achieve a balance between our ability to pay and our desire to provide deserving programs which we perhaps cannot afford.

As far as women are concerned, I can tell you that I have been in touch with the two Ministers concerned, namely, the Secretary of State and the Minister responsible for the Status of Women and we are going to make use of other programs to make sure that the women's centres, at least in my own riding remain as unchanged as possible.

[*English*]

Hon. David MacDonald (Rosedale): Madam Speaker, I want to participate in this debate even though I am not usually accustomed to participating in budget debates for several reasons. I know there are many colleagues on both sides of the House who would see themselves as being much better informed and more competent to participate in this debate.

I believe this debate is of particular importance to the country and to all Canadians. I think it is important because it represents, if you like, the fruition of a long process of trying to retrieve fiscal and financial responsibility in this country, a responsibility which started to slip away many years ago under the previous government.

I am not going to spend a great deal of time this afternoon talking about that because I think it has been well documented by many of my colleagues. I do want to make the point very clearly regarding the situation which faced this new government back in 1984.I was not a member of the House at that time, but an observer. I could see that the situation was one which was most unpalatable. It is set out very clearly in the budget document recently produced by the Minister of Finance where he sets out that five years ago program spending exceeded revenues by some $16 billion. I wonder how it can be that members opposite who were part of that government or supporters of that government can, with such alacrity, criticize this budget for attempting to re-establish fiscal responsibility on the heels of the kind of legacy left to this House and to this country.

In the five intervening years, we have seen a shortfall on program spending revenues of $16 billion being converted to a $9 billion surplus. That means a turnaround of some $25 billion in just five years or an average of $5 billion a year.

I cannot, for the life of me, think why many people on all sides of this House are not applauding what is an extraordinary turnaround with respect to the financial management of this country.

When I listen to members opposite complaining from the time this budget was delivered that too much has been done in this area, methinks they do complain too much, that they are going for what many people in public life often do, a kind of short term political response which will, in effect, produce real long term damage.

If we were to take seriously the comments made over the past few days on this budget debate—and the comments have been consistent, I have not read or followed each and every speech but comments like too much of this has been cut and too much of that has been cut—I wonder what kind of a budget we would have ended up with? That same dreary criticism has been repeated over and over again during the course of the past five years as this government has tried to put the financial management of this country in order.

I want to say to all members that while a lot has been said and written about the last election, in which I did participate, about what was the key motivating factor that produced a second majority for this party, I firmly believe that the underlying cause was responsibility, responsibility for the financial management of this country. That is the issue that needs to be addressed in this debate, not the specificity of one particular program cut or change as against another but in fact the bottom line responsibility of this government. I have heard far too little. In fact, I have heard virtually nothing spoken to that matter.

On page 1 of the budget, the Minister of Finance said, and I quote:

> Every additional dollar of deficit we incur today means an increased burden of debt for future generations. We have a responsibility to our children and grandchildren. To build for them, not to borrow from them.

Surely that is the underlying theme of this budget. I would say that there is no member on our side of the House who is happy with each and every aspect of this budget. We have just heard my colleague from Lotbinière state his concern about the program cut on one particular aspect. We have heard others. We have heard almost repeatedly in Question Period and in debate. It may even be that over the course of the next few months and years there may be ways found to cushion or find new support for programs that are well worth continuing.

Fundamentally, what is at issue here is whether or not the country will have the capacity to deliver on all the programs to all the millions of people, provinces, regions and territories for which we have ongoing responsibility. If we give up for the sake of one, two, a dozen, or even 100 specific criticisms, we forfeit the right to govern

because we do not exercise our responsibility in any kind of sensible or acceptable manner.

I have to say, as one who has sat here in opposition through half of the 1960s and virtually almost all of the 1970s, that is what we witnessed. We had to try to recover from that terrible legacy of financial and fiscal neglect.

The Minister of Finance said at page 13 of the budget, and I quote:

> I have stated on many occasions that it would be irresponsible of our generation if we took the easy option of simply passing our deficit burden to our children. It would also be irresponsible to leave them a legacy of environmental neglect.

These are the two issues which concern me mightily about this budget and this debate, whether it is one of fiscal neglect or environmental neglect, I believe the basis of this budget is a firm foundation for the future for ourselves, for our children and for our grandchildren.

Mr. Speaker: It being two o'clock p.m., the House will now proceed to Statements by Members under Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

INTERNATIONAL WOMEN'S DAY

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it is my pleasure to join with Canadian women and men on International Women's Day to celebrate the many achievements and contributions of women to our society.

Over the years, women's struggle for their rights as workers, mothers and citizens have helped bring about landmark political and social reforms.

Since our government's mandate began, our partnership with women and women's groups has resulted in many social reforms. Senior women have seen a substantial improvement in their standard of living and quality of life. They have benefited from pension reforms designed to ensure women's fair and equitable treatment in their later years.

Policies initiated by our government have also helped to provide women with opportunities to more actively participate in the economic life of the country and to contribute to its economic prosperity.

I applaud the efforts of Canadian women in bringing these and other issues of concern to the forefront. I believe that such efforts will continue to enhance the status of women and strengthen their important role in Canadian society.

* * *

HUMAN RIGHTS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, tomorrow the present session of the United Nations Commission on Human Rights draws to a close, and it appears that it will once again pass without producing a resolution on the Indonesian occupation of East Timor.

Despite repeated endorsement by the UN of the right of self-determination and in glaring contrast to the United Nations General Assembly declaration for the 1990s to be the UN Decade for International Law, the Canadian government refuses to condemn Indonesia's actions and show leadership in support of the rights of the East Timorese people, turning a blind eye to massive human rights abuses—abuses which have included a forced sterilization program against East Timorese women.

Tomorrow also marks the thirtieth anniversary of the Chinese occupation of Tibet. As a new spirit of independence and self-determination sweeps the world, for example as it has in Southern Africa and the Baltic states, it is shameful that the Chinese occupation of Tibet continues without significant international attention being paid, as is likewise the case with East Timor.

In both cases, Canadian silence should end, and Canadian respect for international law should be revived.

* * *

FORESTRY

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, the future of this country depends on our ability to implement sustainable development policies which will protect our resources in years to come. To date, we have seen no commitment from this government, and

judging from recent reports, it is unlikely that we will see one. The government's lack of commitment to reforestation in this country is shameful. It has still not renewed the forestry agreement with the province of Ontario.

In 1985, more than $75 million was spent by the federal government over four years to regenerate our forests in northern Ontario. Now it appears that Ontario's forests will get a small slice of the $40 million this government has offered for regional development.

This government has stalled long enough. It is time for it to make a real commitment to regional development and to our forests. I urge the government to renew the Canada–Ontario Forest Resource Agreement immediately and to provide the necessary funding to get the job done. It is time the government put its money where its mouth is.

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TRANS-CANADA HIGHWAY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, yesterday the Premier of New Brunswick announced the expansion of the Trans-Canada Highway.

As we all realize, the future prosperity of New Brunswick depends upon a good transportation system. Confidence in the economic future of my province is on the rise, and yesterday's announcement clearly indicates this confidence and, yes, confidence in where we as a nation are going.

Quoting Premier McKenna: "We simply must have financial support from the Government of Canada to finish our upgrading project. I believe the federal government will participate in our efforts to upgrade our major highways."

I support the premier's remarks and point to the budget before this House which will assist the province of New Brunswick to realize its full potential.

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[*Translation*]

GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, on this 8th day of March, the International Women's Day, those 52 per cent of the Canadian population will have an opportunity once more to show this Conservative Government they oppose the regressive goods and services tax, the GST. Monday, Tuesday, Wednesday and Thursday next, from March 12 to March 16, we Canadian women, our families and friends can register our opposition and say no to the tax through an electronic petition. The all important phone number to remember is 1-900-720-6052.

I therefore ask each and everyone to dial 1-900-720-6052 and say no to this Conservative Government. We will have none of your GST.

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INTERNATIONAL WOMEN'S DAY

Mrs. Carole Jacques (Mercier): Mr. Speaker, I am most pleased to rise on the occasion of the International Women's Day to pay tribute to all women in my constituency, in Canada and throughout the world and say how much I am proud of Canada's role as a world leader in promoting women's rights.

Our presence for a third consecutive term on the United Nations Commission on the Status of Women strengthens our international role. Now working in a special, extended session in Vienna, the Commission is reviewing the implementation of the prospective action strategies for promoting women that were approved in Nairobi and endorsed by all Members of the United Nations during the World Women Conference held in 1985. Canada played a key role in approving the strategies and is actively pursuing their successful implementation.

Mr. Speaker, Canada's commitment to promoting women throughout the world will go a step further in October next when we host the third Commonwealth Conference of Ministers responsible for the status of women. Three cheers for women!

* * *

[*English*]

INTERNATIONAL WOMEN'S DAY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, International Women's Day was first celebrated 80 years ago today at the International Conference of Socialist Women. It is a day inspired by the struggles of working-class women who went on strike in the early part of the century to protest dangerous working condi-

tions and exploitive wages. Today the struggle continues for economic, social and political equality.

In Canada, the government has chosen to commemorate International Women's Day by scheduling a budget debate in this House, a budget in which women's centre funding is cut 100 per cent and the funding mechanism for social assistance, for child care, and for shelters for battered women is strangled in three provinces of this country.

On International Women's Day, this government should implement its international commitments as a signatory to the United Nations treaties, not just talk about them, implement them to improve the status of women in Canada. It should not be undermining women's equality in Canada and misrepresenting itself at the international level.

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[*Translation*]

INTERNATIONAL WOMEN'S DAY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, since today, March 8, is International Women's Day, we have the opportunity of drawing attention to women's status, accomplishments, concerns and expectations. 1990 is a significant year for women as we are celebrating the 50th anniversary of Quebec women's right to vote. The government has made women's equality one of its priorities. The Employment Equity Act, the reform of the Divorce Act, the employment programs exclusively for women are but a few examples of the numerous initiatives taken to improve the lives of women in Canada.

International Women's Day is also a time to think of the work we still have to do to attain equality in every sector and to eliminate all remaining forms of discrimination.

* * *

[*English*]

VIOLENCE AGAINST WOMEN

Mrs. Christine Stewart (Northumberland): Mr. Speaker, on this day designated International Women's Day, there are a myriad of issues that need to be addressed. However, I would like to take this opportunity to focus on violence against women.

Women, who make up half of the world's population and work two-thirds of the world's work hours, constitute the highest number of the world's poor and abused. They are clearly undervalued economically, socially, and many times as human beings.

Violence against women, which includes assault, mutilation, murder, infanticide, rape and cruel neglect, is perhaps the most pervasive yet least recognized human rights issue in the world. It is also a profound health problem, robbing women of their physical and emotional well-being, both vital to achieving widely held goals for human progress, especially in the Third World. Study after study has shown that women's sense of self is critical in reducing infant mortality and to birth spacing.

• (1410)

Violence against women cuts across all cultures and all socioeconomic groups. In Canada, at least one in eight, or as many as one million Canadian women every year are abused by men with whom they are living. Yet we see the Conservative government not only cutting the women's programs but cutting some 80 women's centres that provide support and information to battered and sexually assault women, and to jobless, illiterate and homeless women across Canada.

Women are targets of violence because of their sex, and it remains a powerful obstacle to human progress. Measured by human costs alone, female violence is worthy of international attention and action, but has seldom been raised at that level, much less addressed.

Setting aside a day to recognize women is important symbolically, but without action it is rendered pointless and ineffective. I call on this government to stop paying lip service to women's rights and reinstate funding vital to Canadian women and to press the international community to recognize violence against women as an important human rights issue.

[*Translation*]

INTERNATIONAL WOMEN'S DAY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, International Women's Day, is particularly significant this year since women will celebrate three important events in 1990: the 20th anniversary of the report of the Royal Commission on the Status of Women in Canada, the fifth anniversary of the coming into force of the equality clause in the Canadian Charter of Rights and

Freedoms, and the 50th anniversary of Quebec women's right to vote.

Today I am proud to emphasize the priority our government gives to women's economic and social development. Some of our initiatives show our serious commitment to women's progress: a 100 per cent increase in the number of women in decision-making jobs in the federal public service, the appointment of two women to the Supreme Court of Canada, the introduction of a pay equity program and now, for the first time in our history, a woman has just been appointed Minister of Justice and Attorney General of Canada.

Mr. Speaker, this International Women's Day is designed to remind us all of the importance of equality and equity for women, a principle our government is strongly committed to.

* * *

[*English*]

TRANSPORT

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, in the late seventies, a Manitoban was seriously harmed when a confidential Department of Transport report found its way into the files of the Manitoba Public Insurance Corporation.

Mr. Ken Podolsky had been involved in a serious accident in 1976 and was cleared of responsibility by an RCMP investigation.

However, based on the Transport Canada report, a study to find out more about this kind of accident, and which guaranteed confidentiality and which was for the department's use only, the corporation came to the conclusion that Mr. Podolsky was 75 per cent responsible for the accident.

In a letter to me, the former Minister of Transport indicated that it is not clear how this report was released. I believe that the Minister of Transport has a responsibility to find out how this information got into the wrong hands. I would ask him to undertake a review of this case immediately. Canadians need to know that when their government guarantees confidentiality, it is a guarantee that can be trusted, that can be counted on.

S. O. 31

PENITENTIARIES

Mr. John Brewin (Victoria): Mr. Speaker, this House often pauses to recognize distinguished or well-known Canadians who have died. On Sunday, a young Cree woman from Saskatchewan died in the prison for women in Kingston. She committed suicide. She was the third young, Saskatchewan woman in the prison for women who has committed suicide in the last year.

Two years after this institution was built in 1933, the first report that called for the end to this institution and the closing of it was published. Subsequently, there have been 10 reports that have called for its closure.

I ask the government and the new Solicitor General to make a firm commitment today on International Women's Day that this institution will be closed forthwith and that no longer will the women of Canada and the people of Canada have to put up with this institution. It is a national disgrace and it is time it was closed.

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[*Translation*]

CHILD CARE SERVICES

Mr. Jacques Vien (Laurentides): Mr. Speaker, on March 2, I had the honour to announce, in the name of the Minister of National Health and Welfare (Mr. Beatty), a contribution to the Saint-Jérôme junior college under the Child Care Special Initiatives Fund. The money will be used by the CEGEP de Saint-Jérôme to conduct its innovative project on video feedback aimed at developing a self appraisal method for day care workers. The workers would be able to monitor their interaction with children and to evaluate their own work.

The instruments will be tested in five day care centres.

Mr. Speaker, I would like to point out that the CEGEP de Saint-Jérôme is the first French speaking junior college in the Quebec to offer a program for day care workers. The funded project shows once again that college's dynamic contribution to the improvement of day care services.

ORAL QUESTION PERIOD

[*English*]

INTERNATIONAL WOMEN'S DAY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State. As we all know, today is International Women's Day. It marks the progress women have made in overcoming barriers to their full equality, but it shows the extent to which those barriers still remain. Nowhere is this more evident than in the gap between the rhetoric of the government and its actions when it comes to support for women.

In its most recent budget, the government cut some $1.6 million from its women's program. Yet it had the nerve to send across Canada a glossy, expensive poster on International Women's Day. As Carol Greene of Canadian Women's Studies said: "The cost of this one poster project could have kept one women's centre open for a full year."

I ask the Secretary of State, will he today, this International Women's Day, show that there is some sincerity behind the government's rhetoric and enable the 80 women's centres across Canada to stay open by restoring their funding? Will he do it today? Yes, or no?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, today is indeed International Women's Day and it is a day when we celebrate the progress that women around the world have made over the past 80 years in achieving equality, and nowhere more so than in Canada.

The basic way in which women can achieve true equality is having the opportunity to have jobs. The best way to ensure they have jobs and good paying jobs, is to ensure a healthy economy. This budget is to ensure for the future of women, the future of our children, that they will have that equal opportunity for their own future self-worth and their future economic benefit.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Canadians will note that the Secretary of State, who controls the women's program, was not able or willing to stand up and answer my question.

The National Action Committee on the Status of Women said that the cuts to women's centres are: "are an attack on the heart of the women's movement".

I ask the Secretary of State, if he and the government are committed at all to women's equality, will he stand up today and say he is restoring the funding for the women's centres that are the heart of the women's movement?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, it is very important that the hon. member understands the progress women are making in this country and the role that this government has played in ensuring that progress.

It is not only the Secretary of State's department which assists in the funding of women's programs. It is all departments of government. It is the $40 million program to assist in reducing family violence. It is the $25 million to assist aboriginal women. The Secretary of State will continue to fund and assist aboriginal women, visible minority women, disabled women through all of its programs, to assist advocacy and education.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, still no answer from the Secretary of State. Canadian women have already given up on the minister responsible for the status of women. It is clear that there is a lot of sound and fury but no action for Canadian women.

Mr. Speaker: Perhaps the hon. Leader of the Opposition could put the question.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): So, Mr. Speaker, I have a question for the Minister of National Health and Welfare.

In the last election, the Prime Minister promised Canadians a national child care program, but the government has not kept its promise. In his Budget, the Finance Minister set a ceiling on the funds used by the provinces to provide child care services. He also cut the child care initiative fund from $15 million to $13 million.

I ask the minister why the government did not take the opportunity provided by this International Women's Day to restore these funds, to keep its promise and to

announce a national child care program today. Why does it not give such an answer, if it really cares about the interests of women in this country?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I guess one has to expect when the hon. gentleman gets up that he will use a gimmicky sort of question like that to suggest that we should unveil a new national child care strategy because it is International Women's Day.

Some hon. members: Oh, oh!

Mr. Beatty: The hon. members opposite ask questions and then shout down the answers.

The government remains committed to putting in place a national child care program. I would point out to the House that if it were not for the obstruction of the Liberal Party of Canada, that program would be in place today. It died on the Order Paper in the Senate because of the Liberal Party of Canada.

That program will be in place during this Parliament. In addition, we continue to fund child care through the Canada Assistance Plan and through the child care initiatives program. All of these are important measures which have been taken to provide child care for Canadians.

* * *

PUBLIC SERVICE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, on a day that celebrates women around the world, it is disheartening that in Canada women are having to fight barriers at the highest level. We recently heard a judge of the Supreme Court of Canada say that the courts are biased against females. Now we have the Secretary of State slashing the budget for women's programs. If that is not enough, we have the President of the Treasury Board refusing to recognize the value of women's work.

My question is for the Deputy Prime Minister in the absence of the Prime Minister. Will the Prime Minister or Deputy Prime Minister support the efforts of the Human Rights Commissioner of Canada and direct Treasury Board to correct the inequities for 70,000 public servants who are being cheated out of thousands of dollars in wages?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to tell my hon. colleague that first of all it was this government, not any former government, that made the first moves to correct the pay inequities between males and females in this government.

After five years of a joint study with the unions, and after the unions had walked out of the study, we took action, $317 million in retroactive payments and pay adjustments of $76 million a year to correct those pay inequities that were determined by that study.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I am not one to be unfair and to question or put down progress, but I have to say that there is unfinished business.

My supplementary question is for the President of the Treasury Board. As the minister knows, on January 23, as he mentioned, the Public Service Commission of Canada withdrew from the joint union–management study of equal pay for work of equal value.

Will the minister co–operate and give his commitment that Treasury Board will recognize all of the recommendations of the five–year joint study prepared by both sides and give those female employees the wage adjustments and the retroactive pay to which they are entitled?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I just mentioned that we had moved to correct the pay inequities, a five–year study with concrete results at the end.

I would like to quote Mr. Yalden of the Canadian Human Rights Commission who, when interviewed, said: "On the substance of this thing, I was pleased, very pleased to see that the government was going to, after five years of talks and studies, put its money where its mouth is: $317 million in back pay is a lot of money and we think that's an excellent move in the right direction." That was stated by the chairman of the commission.

Ms. Blondin: I didn't say it wasn't. I said it was unfinished business.

WOMEN'S PROGRAMS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

Figures released yesterday suggested that the government has sunk over $111 million into its program to get the goods and services tax off the ground, some $15 million of that on government propaganda and $85 million on furniture and computers.

This does not seem to make sense to the women of Canada who have seen this same government slash those very programs like social housing, cutting spending on health care, post-secondary education, core funding for women's centres across the country, the very programs that could give Canadian women access to equal opportunities in our society.

I ask the Deputy Prime Minister to explain to the women of Canada, on International Women's Day, what are the priorities of this government. What are the values of this government? Are computers and propaganda on the goods and services tax more important than equality for women in this society?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the priorities of this government are very clear. My colleague, the minister responsible for the status of women, has stated very clearly the breadth of the women's programs that we have brought in during our term of office, the increase in the funding that has gone to those programs.

At the same time, we do have other obligations that we must look after. One of those is to bring in a goods and services tax so that we can continue to finance the programs that are so important to Canadians whether they are for women, whether they are health and post-secondary education, regional development, or any of the breadth of programs that Canadians look to us as a government to provide.

We are making preparations for the goods and services tax consistent with parliamentary practice for many, many years.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): My supplementary question is for the minister responsible for the status of women. Her government will spend $1.6 million just to renovate a Senate committee room. The same $1.6 million is the amount that the government will cut from women's programs. Forty-one centres will close in Quebec, for example. And the $44,000 that will be spent on the Governor General's limousine would be enough to keep four centres open. How can the minister accept such an order of priorities from her government without crying scandal?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member had some concerns about how the Senate is spending money. I am anxious to hear her suggestions as to what we can do about the Senate.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the minister responsible for the status of women.

Clearly, the colleagues of the minister responsible for the status of women do not want to answer to the women of Canada. I ask the minister, how is she going to fulfil her mandate to promote opportunities for equality for women in this society when her government has cut back on social housing, women's programs and on the very jobs that women hold? Women work in women's centres. Women work in child care centres. Women work in native friendship centres.

Will the minister explain how she can fulfil her mandate to the women of Canada?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I am pleased that the leader of the NDP has asked this question.

One of the things that we are celebrating today on International Women's Day is the fact that there are now so many women in positions of influence and authority, and indeed that she is a leader of a major political party in this country.

That is the kind of progress that we want to see for women. We want to see them progress in terms of economic equality. The best way that can help them is to have that healthy economy. In fact, there are one million more women working today in Canada, earning money, being able to be self sufficient, looking after their

families, than there were when this government took office in 1984.

• (1430)

Some hon. members: Hear, hear!

Mrs. Collins: I am going to work with my colleagues to ensure that continues. I am going to work with my colleagues on the issues of family violence.

* * *

GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance. This morning we heard from representatives of the National Council on Welfare and the National Anti-Poverty Organization. They stated very clearly that they wanted members of Parliament to vote against the goods and services tax proposal that is before Parliament.

Will the minister admit today clearly that he has misinformed the Canadian people and that, in fact, as studies indicate, as the anti-poverty league indicates and as the National Council on Welfare indicates, families in Canada with incomes under $30,000 will be worse off under his GST proposal than they are now?

Hon. Michael Wilson (Minister of Finance): No, I do not accept that conclusion at all, Mr. Speaker, and we made why very clear in the GST documents.

In the committee meeting this morning did the hon. member put out the alternatives that he has for the goods and services tax? Is he telling the members of the committee that if his party ever got into government it would scrap the goods and services tax? Is that the policy? Or are there going to be some more weasel words in there that they will scrap the Conservatives goods and services tax? Will the Liberals put in another consumption tax?

What about the wealth tax that the member is talking about? Are we going to have a wealth tax? Is that wealth tax going to be on the family farm? Is it going to be on small business, on private homes, on bank accounts? What sort of wealth tax is he proposing? What sort of consumption tax is he proposing? Or is he going to increase income tax rates as he was saying out in Edmonton?

Some hon. members: Hear, hear!

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, although the GST bill has yet to be passed by Parliament, the government has already spent over $100 million on it.

Since in his budget, the Minister announced some pretty dramatic cutbacks in programs for aboriginal people, students, veterans and the woman of this country, I would like to ask the Minister of Finance how he can justify spending over $100 million on propaganda and planning for a goods and services tax that has been massively rejected by all Canadians.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hope you took careful note of how quickly my colleague ran away from the substance of the GST issue because he did not want to put anything else on the table. As soon as I raise the question of alternatives, he turns tail and starts to talk about the moneys that we are using to prepare for the goods and service tax.

Some hon. members: Hear, hear!

Mr. Wilson (Etobicoke Centre): He knows full well that a government has the responsibility to make preparations for legislation that is before the House. That is a practice that has been quite consistent in Parliament for many years. When Parliament is considering legislation it is the responsibility of the operating departments involved to make the preparations, to put the planning in place, to put the assets in place, to be able to fulfil the responsibilities when that tax comes in.

We have made it quite clear that the goods and services tax is a fundamental principle of this government. It was referred to in the Speech from the Throne last year. It has been a part of two budgets and these preparations are very consistent with parliamentary practice and the policies of this government.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Finance and it concerns the obscene plan to spend in excess of $100 million to set up and sell the GST, the most unpopular policy ever imposed by a Canadian government on its own people.

It has been reported that Revenue Canada has already leased expensive office space across Canada to administer the GST, a tax that has not even been approved by the Parliament.

How can this government, at a time when it is slashing programs for veterans and closing women's centres right across this country, justify wasting taxpayers money to set up expensive offices to house his tax police when this regressive and unfair tax has not even been approved by the Parliament of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me draw my colleague's attention to the fact that it is not just while this party has been responsible for the government of the country but in the previous Parliament in 1980 to 1984 in the case of the Petroleum Gas Revenue Tax Act, the Forward Averaging bill, the Share Purchase Tax Credit, the Refundable Business Investment Tax Credit and the increase to the child care expense deduction, the government of the day, the Liberal Party that he supports, made expenditures in anticipation of legislation being passed because a government does have a specific responsibility to do that.

Colleagues have complained about this, but let me refer the hon. member to the Auditor General's report where he said: "The government will need to give the planning for the GST the priority and the resources required to ensure the successful delivery of this major initiative." The successful delivery starts on January 1, 1991 and we must be prepared for that.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the minister's defence of his government's policies and his own tax policies would be laughable if it weren't so pathetic.

My supplementary question is for the same minister. Can the minister tell us whether or not his department has conducted any studies to determine the compliance costs of administering the goods and services tax, what level of non-compliance he expects, and how his own tax police are going to treat those poor, small businessmen and women who run afoul of this ill-conceived, complex and unfair tax? What are you going to do? Is the minister going to—

Mr. Speaker: I think we have the question.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member might be interested in knowing that part of the resources that we will be devoting to the goods and services tax are to help Revenue Canada people meet with small business people in their offices to help them understand the goods and services tax, how it affects the cost of their purchases, how it affects the prices of their goods and services so that they can be in a position on January 1 to be able to comply with the tax.

Surely my hon. friend would support this type of assistance to the small business community.

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BILL C-43

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the new Minister of Justice.

The Minister of Justice has indicated publicly that she is in favour of women being able to determine their own reproductive choices.

On International Women's Day will the minister listen to the women of Canada who are saying to her and to her government that the abortion bill will limit women's access to abortion in this country? Will the minister listen to women's organizations across this country who are saying that women must have the fundamental right to choose whether or not they will bear children, and will she withdraw this criminal legislation?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I question whether the hon. member's question is in order. The bill has had second reading in the House and the government's position on the bill has not changed, notwithstanding the change in the incumbency of the Minister of Justice.

I have made my personal views on reasons for supporting the bill very clear in my speech in the House during the second reading debate and will be pleased to discuss the bill further with the standing committee at the end of its deliberations.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I think I heard that the answer to the women of Canada was no, that she will not withdraw that bill. Polls tell us that 62 per cent of Canadians are opposed to this government's plan to recriminalize abortion.

The minister, as I said earlier, is on record as saying that she is in favour of choice for women. The minister,

as I said earlier, is on record as saying that she is in favour of choice for women. Is this the ticket to the inner cabinet, compromising one's own personal views?

• (1440)

Some hon. members: Shame, shame!

Some hon. members: Withdraw, withdraw!

Some hon. members: Cheap, cheap.

Mr. Speaker: I think the hon. member would know that the implication of that remark is clearly not acceptable in this House because that kind of retort can turn this place into absolute disorder. I would ask the hon. member to withdraw.

Ms. Black: Mr. Speaker, if you deem that it is necessary, yes, I will withdraw it.

Mr. Speaker: I recognize the hon. member for her supplementary.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, we know that access to reproductive health services is already a problem for women in this country. The Canadian Medical Association has indicated that if this bill passes this House access will become worse for women in Canada, that doctors will be frightened of criminal repercussions. Will the minister on International Women's Day, this week or next week, listen to the women of Canada? Will she listen to the doctors of Canada, and will she withdraw this bill?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the bill is before committee, before the parliamentary process. I think this is hardly a time to engage in a debate in Question Period on the merits of the bill. I have stated very clearly in this House my reason for supporting the bill personally before I became responsible for it. I hold the same opinion now and I will be expressing that same opinion on behalf of the Government of Canada in front of the standing committee.

* * *

COMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Deputy Prime Minister. He will recall that last August the Supreme Court ruled that telecommunications falls under federal jurisdiction. He will also recall that his government tabled a bill to put that court ruling into effect. Some western provinces were not too happy and Quebec is now sabre-rattling. This is a very key interprovincial field and has now been declared a federal jurisdiction.

Is the Deputy Prime Minister prepared to exercise federal leadership to ensure that federal jurisdiction is maintained and ensure that this key sector is not going to be Balkanized or fragmented? When is he going to bring that bill into the House and ensure federal jurisdiction?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am happy to respond to the hon. member. As the member knows well, there is a bill before the House now, Bill C-41, which relates to the three prairie provinces. However, the minister has given an undertaking to all his counterparts, including the Quebec minister, that there will be a broad-based telecommunications bill introduced into the House in due course.

It is important that he conclude his consultations with the ministers involved before that is done, particularly the three prairie ministers and indeed, if necessary, the Quebec minister.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would remind the parliamentary secretary that the Prime Minister, who I think has something to say in this country, said we will simply not allow our system of communications to be fragmented and broken up by different regulations.

[*Translation*]

My question was supposed to be directed to the Minister of Communications, who seems to have forgotten his commitment to a national telecommunications policy, made when he was appointed Minister of Communications five years ago. My question is this: What is the minister's policy? Did the parliamentary secretary say—? We are still waiting. And meanwhile, will the bill to implement federal jurisdiction be passed? Why is the minister dragging his feet? Whom is he trying to accommodate and why?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, when the minister announced the new Canadian telecommunications policy last October, he said that in the months to come he would table a bill to implement this policy which is based

on a unique federal regulatory system. The bill is almost ready to be tabled.

Some hon. members: Hear, hear.

* * *

[*English*]

MINING INDUSTRY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Finance Minister's budget terminated a $126 million mining incentive program, breaking a 1988 promise to maintain the Canadian exploration incentive program until the end of 1990.

Why has the minister's government broken its promise and why is it turning its back on the Canadian mining industry?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased that the hon. member asked me that question because yesterday in a question to me she said that this year's energy Estimates show that a $246 million cut for conservation and alternate energy was in place.

Quite frankly, the hon. member was wrong, dead wrong. I do not know what kind of research she does, but the following were the cuts in the Estimates: There was a change to CDIP, which was the forerunner of CEIP, of $215 million; there was a change to CEIP of $20 million, and that goes back to the question she asked today. There were others relating to energy savings in alternate energy, which had been announced 18 months before, of some $10 million.

Suddenly the $10 million mushroomed yesterday to $246 million. The hon. member was dead wrong then and her numbers today on CEIP are also wrong.

Ms. Catherine Callbeck (Malpeque): I certainly would like to have a copy of those figures, because we researched this very thoroughly.

My supplementary question is for the same minister. The government not only breached a promise, but a legislative guarantee. Why did the minister not provide the required legislated six months notice provided for in the Canadian Exploration Incentive Program Act to exploration firms before cancelling the program?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I would be glad to send the hon. member those figures. She will find them in the Estimates tabled by my colleague, the President of the Treasury Board.

Some hon. members: Yesterday.

Mr. Epp: Well, I was asked the question yesterday, that is correct. It was wrong yesterday and it is wrong today. I guess if she insists on it, it will be wrong again tomorrow.

On CEIP, the effective date was February 19. The Minister of Finance and I are looking at examples of those who are caught within the framework regarding how we can handle the obligations they have in the market-place. We will grandfather it.

Obviously, this comes down to one issue. By the way, if the hon. member reads the various editorial comments, most importantly in *The Northern Miner*, she will find that even people who know the mining industry, who are in the mining industry, who first of all criticized CEIP, then said that we should get rid of CEIP because it was not working and often seen more as a tax saving process than actual work for the industry. It is for those reasons that it has been done and it is for those reasons we will grandfather it in a fair way.

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WOMEN'S PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Employment and Immigration. I have two suggestions that will not cost her a cent and will help women greatly.

Despite Canada's support for UN conventions that oppose discrimination, she will know that immigrant and visible minority women in Canada still experience double discrimination right here in Canada. Domestic workers face exploitation and abuse and low paid jobs with little time off and no future.

Will the minister introduce enforcement mechanisms to protect domestics from abusive employers? Will she also make it easier for domestics to become landed immigrants?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as usual the hon. member is a little bit out of date. As I have announced publicly, we have already undertaken a review of the foreign domestic program. The foreign domestic program is an improvement over the kind of entry level job that we had before it was introduced. It is not working as well as this government would like it to work even though there is provision in the program for upgrading of

training and landing of people who come as domestics. I want to improve the program further.

• (1450)

We have undertaken extensive consultations with immigrant women's groups across Canada, including a couple of groups from the hon. member's own city. I hope to be announcing changes to the program in the not too distant future.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to say to the minister that women's groups indeed are still writing of their concern in this area and we want action. Today would have been an ideal day to have that action.

Immigrant women who need language training while they are at home with their young children find that the Settlement Language Training Program of the minister's department is a good program but is really too selective in choosing participants and training programs lack continuity.

Will the minister consult immigrant women's groups about this matter and will she adopt guidelines to make this important program more effective?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, once again this is a program that was introduced by this government. Language training for women who remained at home was something that had not existed before. It was introduced as a pilot project and is in the process of becoming a permanent program with additional funding. We will continue, as we have from the beginning, to consult with immigrant women's groups across Canada to ensure that we continue to make it better.

Let me remind the hon. member that the programs for women, and particularly immigrant women and women in some of the more sensitive areas of doubly disadvantaged groups, are not something one waves a banner for on International Women's Day. They are something we work at every single day, all year long.

EQUALITY OF WOMEN

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the minister responsible for the status of women. Since 1984 women in this country have been looking to this government for leadership in establishing a greater degree of equality and fairness in our society. Can the minister tell this House what this government has done and what this government is prepared to do to help the women of Canada attain the equality they seek and deserve?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, that is a very good question. Unfortunately it would take me an hour to outline the kinds of initiatives that this government has taken and will be taking to ensure equality.

Let me just mention a couple taken in the last five years, things that I have been involved in as a Member of Parliament which I think have been terribly important. There were the amendments to the Indian Act to give native women back their rights. There were the amendments to the Family Orders Enforcement Assistance Act to ensure that we can go after those who abandon their families. There has been the introduction of employment equity. We have heard today from the Minister of Employment and Immigration on the work for immigrant women.

There are a whole variety of initiatives, legislation and actions which we have undertaken and will continue to undertake to ensure women's equality in this country.

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HAMILTON HARBOUR COMMISSION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is for the Minister of Transport. Yesterday the minister asked for the facts. Well, they are clear and they are on the record. The Chairman of the Hamilton Harbour Commission, Peter Lush, admits that he is in a conflict of interest. He has declared that he would not have become a commissioner if it meant giving up his exclusive listings which the harbour commissioner was interested in.

Why doesn't the minister advise the Prime Minister to put Mr. Lush out of his misery and call for his resignation?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I am going to repeat the suggestion I made yesterday. If my hon. friend, who wishes to slander people within this House, has evidence of a conflict of interest why doesn't he present it to me and I will look into it?

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the minister is telling Canadians that an appointed commissioner can also be an exclusive agent for property the Harbour Commission wants to buy. In effect, this minister is telling Canadians, "Listen boys, you can have your cake and you can eat it too".

How can the minister assert that such behaviour meets the Prime Minister's standards regarding conflict of interest?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, there was an allegation of conflict of interest at an earlier time which was fully examined and vetted by the counsel for the Harbour Commission and it was found that there was no conflict of interest.

If my hon. friend has evidence of a conflict of interest, why does he not go outside the door, why doesn't he leave his parliamentary immunity and go outside and make that allegation? Make the allegation outside.

* * *

INVESTMENT CANADA

Mr. Jim Peterson (Willowdale): Mr. Speaker, we on this side of the House assume that the appointment of a new Minister of Industry, Science and Technology signals a major change in government policy. We congratulate the new minister on his promotion. We only hope that industry does not go the way of the VIA Rail.

Last year, foreigners took over a record 376 Canadian corporations in the first nine months alone. Last year, foreign companies brought into Canada $3.4 billion, but they took out over $22 billion in interest and dividends alone.

When is this government going to say no? When is it going to stop this fire sale of Canadian companies? When is it going to stop this haemorrhaging of Canada?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I would like to thank my colleague for his comments. I particularly appreciate the word "promotion". We never know in this job whether it is a promotion or a demotion.

Some hon. members: Oh, oh!

Mr. Bouchard (Roberval) Investment Canada which, as the hon. member knows very well, deals with any foreign investment in Canada has done a very good job since 1985 and it will continue to do so. In the case to which my hon. friend refers, he knows very well that the Energy Board of Ontario has also to give its consent. I believe that it would be normal practice to await the recommendation of both before making a decision.

Mr. Jim Peterson (Willowdale): Mr. Speaker, as for Investment Canada's record, since it was formed in July of 1985 there has been not one single turndown. The score card now reads: Foreigners, 789; Canadians, zero.

Is there one single Canadian company that this government is not prepared to see fall into the hands of foreigners?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, regrettably, the hon. member is wrong in his assertion that Investment Canada has not refused any investment proposals. During the two years that Investment Canada proceeded under the Liberal Party there was no major refusal either.

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SEXUAL DISCRIMINATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Minister of Justice and I want to congratulate her on her appointment as Minister of Justice.

Four years ago this week, the Conservative government responded to the unanimous report of the Special Committee on Equality Rights by promising that the government will take whatever measures are necessary to ensure that sexual orientation is a prohibited ground

of discrimination in relation to all areas of federal jurisdiction.

In view of the fact that lesbians and gay men continue to be victims of discrimination, of harassment and of increasing levels of violence, and in view of the recent call by the *ad hoc* parliamentary committee on AIDS for urgent action on this recommendation, when will the minister's government finally move to amend the Canadian Human Rights Act to prohibit discrimination based on sexual orientation?

• (1500)

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the hon. member for his good wishes on my appointment.

The hon. member will be aware that the Canadian Human Rights Act is now under a comprehensive review in the Department of Justice. My tenure in the department is not sufficiently long that I am able to give him a full report on the status of that review.

I think it is important to point out that the government's commitment in 1986 with respect to sexual orientation was to do whatever is required. The government has taken the position that it is covered by Section 15 of the Charter.

I hope to report further on the review of the Canadian Human Rights Act as soon as it is ready to be reported to the House.

Mr. Speaker: A short supplemental, please.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, of course Section 15 of the Charter does not apply within federal private jurisdiction.

My supplementary question is for the Associate Minister of National Defence and the Minister responsible for the status of women.

The minister knows that the Canadian Armed Forces has a policy of overt discrimination against lesbians and gay men. The minister herself, as a member of the equality rights committee in 1985, condemned that policy.

In view of this discriminatory policy, when will the Government of Canada finally move to end discrimination based on sexual orientation within the Canadian Armed Forces? When will the Armed Forces follow the lead of the RCMP and stop discriminating against men and women who happen to be lesbians or gay?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I think the hon. member is aware that it was my predecessor in this position who suspended certain aspects of that policy pending a government-wide review of policy on this issue.

As my colleague has indicated, that review is still under way. Of course, when it is completed, our department will be involved in it and will be responsible for implementing the results of it.

Mr. Speaker: Perhaps the Opposition would like to ask the usual business question. The hon. member for Ottawa—Vanier.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): You have read my mind, Mr. Speaker.

[*Translation*]

I would like to ask the government House leader—

[*English*]

Mr. Speaker: The hon. member speaking to me said: "You have read my mind". I thought to myself, I do it all the time.

Mr. Gauthier: You must be getting headaches.

[*Translation*]

I would like to ask the government House leader what business he will bring to the House next week. Can he tell us what business he intends to bring to the House tomorrow, next week and until Thursday, if possible?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this afternoon, we will complete debate on the budgetary policy, and tomorrow, Friday, we will begin debate, at the report stage, on Bill C-5, and then proceed to second reading of Bill C-57.

Next week, I intend to proceed with government order No. 21 concerning Bill C-21, and then with debate, at the report stage, on Bill C-48.

Next Thursday will be an allotted day.

[*English*]

Mr. Gauthier: Mr. Speaker, I appreciate the government's announcement concerning the business for Monday next when I take it we will be dealing with the message from the Senate concerning Bill C-21.

I should like to make a request of the government, and I do this in good faith. A notice to the House is usually given with respect to every government initiative that I know of. The notice to the House gives the government's position or what the motion will be. Thus there is notice given to the members of this House as to the position to be debated.

In the case of the message here, I think it is quite acceptable that it has been the tradition of the House that the minister speaking first in the debate will speak to the message given by the Senate and then will propose a motion at the end of his remarks, at which time opposition members and those other members interested have to respond.

For the sake of good and possibly more effective debate, would the minister be willing to give notice tomorrow on the Order Paper of the government's position *vis-à-vis* the message from the Senate so that we can adjust our speeches accordingly?

Mr. Andre: If we could have assurances of good and meaningful debate, I would give the hon. House leader of the Official Opposition all the notice in the world. However, I see no advantage in terms of accomplishing what we want to accomplish by trying to surprise the House by way of the contents of that motion. I will endeavour to give as much warning as I possibly can in terms of that motion.

Suffice it to say it will not be that we accept the amendments from the Senate. However, I will endeavour to supply the details as soon as possible, quite probably tomorrow. There is no desire on my part to keep it as a surprise until Monday.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, could the government House leader indicate to us whether one of the items that will be before Parliament next week, in addition to the items that he has already raised, would be the introduction of the legislation promised by the Minister of the Environment dealing with the environmental assessment review process. Will that be tabled next week?

Mr. Andre: Mr. Speaker, I cannot give the hon. member the assurance that it will be done next week. I can give him the assurance that the Minister of the Environment is proceeding with it as quickly as possible and we will bring it forward as quickly as possible. I cannot assure him that it will be ready next week.

* * *

POINT OF ORDER

BUDGET DEBATE—SPEAKER'S RULING

Mr. Speaker: On Monday, March 5, 1990, the hon. member for Kamloops rose on a point of order to suggest that the debate on the budget be suspended and that the Chair review the government bill currently on notice entitled "an act to amend certain statutes to enable restraint of government expenditures", and determine whether or not the House should proceed with that bill at this time.

In his submission the hon. member noted that the Government of British Columbia has approached the Court of Appeal to ask for a ruling on the legitimacy of one of the components of the budget, namely proposed changes to the Canada Assistance Plan Act and the responsibility of the Government of Canada under its terms.

He also noted that historically the House has by the *sub judice* convention restrained itself from discussing questions which are before the courts when such a discussion would prejudice the outcome of those proceedings.

In his presentation the hon. House leader for the New Democratic Party made reference to Beauchesne's sixth edition, citation 508(4) which states:

> (4) The reference of a bill to the Supreme Court of Canada withdraws that bill temporarily from the jurisdiction of Parliament—The question cannot be before two public bodies at the same time.

He also referred to the ruling upon which this citation is based.

As I indicated on Monday, I have given careful consideration to this reference, the ruling and the proceedings on which this citation is based, that is the citation which was given to me as the basis of the argument put forward by the hon. House leader of the

New Democratic Party. I wish to speak to this in some detail, and I will return to it in a few moments.

I would, however, like to thank the hon. member for his submission. As well, I would like to thank the hon. government House leader and the hon. member for Ottawa—Vanier for their comments. All were helpful to the Chair.

I would first like to make a few remarks concerning the *sub judice* convention and the right of the House to legislate. Then I will deal with the citation in Beauchesne's.

[*Translation*]

It is accepted practice that, in the interests of justice and fair play, certain restrictions should be placed on the freedom of members of Parliament to make reference in the course of debate to *sub judice* matters and that such matters should not be the subject of motions or questions in the House. Though poorly defined, the interpretation of this convention is left to the Speaker. In Canada, the word "convention" is used as no "rule" exists to prevent Parliament from discussing a matter which is *sub judice*, that is "under the consideration of a judge or court". The acceptance of a restriction is a voluntary restraint on the part of Parliament to protect an accused person or other party to court action or judicial inquiry from suffering any prejudicial effect from public discussion of the issue. While certain precedents exist for the guidance of the Chair, no attempt has ever been made to codify the practice in Canada. Though the First Report to the House of the Special Committee on Rights and Immunities of Members, presented to the House on April 29, 1977, provides some guidance for the Chair, uncertainty still surrounds Canadian practice.

• (1510)

[*English*]

The purpose of the *sub judice* convention is twofold: to protect interested parties in a court proceeding and to maintain a separation and mutual respect between the legislative and judicial branches of government.

In Canada there are some situations in which the application of the *sub judice* convention has been fairly straightforward. All of the principal procedural authorities, including Erskine May, Bourinot and Beauchesne, agree that the convention does not apply to bills as the right of Parliament to legislate must not be limited.

This has been confirmed in the House by a ruling of October 4, 1971. In that ruling Speaker Lamoureux noted that no legal proceeding initiated in a court of law in Canada, be it by way of writ of mandamus or any other writ, should prevent the House of Commons or Parliament from continuing or even initiating the discussion of legislation.

In that same ruling he also pointed out that should the House take the view that the *sub judice* convention applied to bills, the whole legislative process might be stopped simply by the initiation of a writ or legal proceedings in one or other of the courts of Canada. This, he noted, would place Parliament in an intolerable situation.

[*Translation*]

Where criminal cases are concerned, the precedents are consistent in barring reference to such matters before judgment has been rendered and during any appeal. As I noted on Monday, I have had to deal with the *sub judice* convention with respect to criminal matters before, and I think that position is quite clear.

[*English*]

Our practices as regards civil cases are less certain, however. The Chair has warned on various occasions of the need for caution in referring to matters pending judicial decisions whatever the nature of the court.

However, on February 11, 1976 Speaker Jerome ruled that no restriction ought to exist on the right of any member to put questions respecting any matter before the courts, particularly those relating to a civil matter, unless and until that matter is at least at trial. This view I reiterated in a ruling given on December 7, 1987.

As the debate on the budget is generally wide-ranging and touches upon all aspects of the government's budgetary policy, members are at liberty to debate or not debate whatever aspect of the motion they choose. Therefore I must rule that the *sub judice* convention does not apply in the present circumstances.

Speaker's Ruling

In his submission the hon. House leader of the New Democratic Party made reference to citation 508(4) of Beauchesne's sixth edition which, as I noted a moment ago, states:

> The reference of a bill to the Supreme Court of Canada withdraws that bill temporarily from the jurisdiction of Parliament—The question cannot be before two public bodies at the same time.

I have to say to the House that having heard that in argument it immediately gave me great difficulty because there sits a statement which, at least on the surface, seems to be clear indeed and seems to be very much in favour of the proposition being put forward by the hon. House leader. I must say that whatever side of the House one might be on on this question, a citation like that in Beauchesne's would I think completely justify the argument being presented to the Speaker.

This citation is apparently based on a ruling by Speaker Fauteux given on April 12, 1948, at page 344 of the *Journals*. Citation 508(4) is a truncation of Citation 338(4) of Beauchesne's fifth edition, which is itself a truncation of Citation 153 of the fourth edition. If members are having some difficulty with this I assure them so does the Speaker. Truncation is a polite way of putting what could be put in other terms.

I now quote:

> The reference of a Bill to the Supreme Court of Canada withdraws that Bill temporarily from the jurisdiction of Parliament. On April 12, 1948, the Prime Minister moved that a select committee be set up to consider, *inter alia*, what is the legal and constitutional situation in Canada with respect to human rights and fundamental freedoms. Mr. Diefenbaker moved in amendment that, in order to assist the committee, the government submit immediately, to the Supreme Court of Canada such questions as are necessary to determine to what extent the preservation of the fundamental freedoms of religion, speech, press, assembly and the maintenance of constitutional safeguards of the individual are matters of federal jurisdiction. The Speaker said: "This amendment actually proposes that the Supreme Court be asked to consider the same matter that the main motion proposes to refer to a select committee. It seems to me that both those propositions cannot be approved at the same time by the House. If the constitutional situation of human rights is submitted to the Supreme Court it thereby becomes *sub judice* and cannot be considered by the Committee until the Court has given its decision. The question cannot be before two public bodies at the same time. For this reason I feel bound to rule the amendment out of order.

Having reviewed Speaker Fauteux's original ruling and the matter under debate in 1948, I have concluded that there is a serious flaw in the Beauchesne's citation in the fourth edition which has been compounded in the fifth and sixth editions. That of course refers to the word truncation which I mentioned earlier.

I do not feel that the citation is at all applicable. As the case before the Speaker in 1948 dealt with a motion and not a bill, I would like to summarize the situation then and set the record straight as regards this citation in Beauchesne's.

[*Translation*]

On April 9, 1948, the House began debate on a motion to set up a special committee to consider the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all member states of the United Nations might best be implemented in Canada. This was the same motion as a resolution passed by the House in the previous session on Monday, May 26, 1947 and was based on a report of that committee which recommended that a Joint Committee be set up early in the next session to continue the study of this matter.

[*English*]

During debate on the night of April 9, 1948, Mr. John George Diefenbaker proposed an amendment to the motion that the government immediately submit to the Supreme Court such questions as were necessary to determine to what extent the preservation of the fundamental freedoms of religion, speech, press, assembly and the maintenance of constitutional safeguards of the individual were matters of federal jurisdiction.

On Monday, April 12, 1948, debate on the motion and the proposed amendment resumed. The Hon. J. L. Ilsley, who was then Minister of Justice, rose on a point of order to challenge the procedural acceptability of the amendment of Mr. Diefenbaker, arguing that since the amendment did not add to the duties, functions or purposes of the committee but directed the government to perform a duty, it was a separate motion and not an amendment.

In addition, he also argued that the function of the committee was to consider what the legal and constitutional situation was in Canada with respect to human rights.

• (1520)

The object of the amendment was to take this function away from the committee and place it instead with the Supreme Court of Canada. If that reference were made to the Supreme Court, the matter would then become *sub judice* and the committee would be unable to proceed during the time the matter was to be considered by the Supreme Court. The two proposals could not exist in the same resolution.

[*Translation*]

In his ruling, Speaker Fauteux accepted the arguments of the Minister of Justice, that the proposed amendment would ask the Supreme Court to consider the same matter that the main motion would refer to a Committee. He stated:

> It seems to me that both those propositions cannot be approved at the same time by the House. If the constitutional situation of human rights is submitted to the Supreme Court, it thereby becomes *sub judice* and cannot be considered by the committee until the court has given its decision. The question cannot be before two public bodies at the same time. For this reason, I feel bound to rule the amendment out of order.

[*English*]

As we can see, the emphasis in Speaker Fauteux's ruling was that the amendment proposed by Mr. Diefenbaker was a distinct proposition which should have been dealt with by means of a separate motion and therefore was out of order. The implications in the citation in Beauchesne's fourth, fifth and sixth editions, which casts the problem in terms of the reference of a bill to the Supreme Court, implies that the House is prevented from dealing with legislation on any matter before the courts.

I have no quarrel with the argument that was put on the basis of the citation. If I had been in the same position as those who had to consider the matter, I most certainly would have taken that citation and used it as the basis of an argument.

However, this in my view is an extraneous commentary by Beauchesne. The wording of the citation in the subsequent editions compounds the error. In addition, there is a clear contradiction between citations 338(3) and 338(4) in the fifth edition and citations 508(3) and 508(4) in the sixth edition. In the former citations in both editions it specifically states that the convention does not apply to bills. Citation 338(3) of the fifth edition, which is repeated in the sixth edition, is based upon the 1971 ruling of Speaker Lamoureux to which I have already referred.

Having examined the precedents carefully and having reviewed the Canadian practice on the *sub judice* convention, the Chair has concluded that there is no legitimate basis for it to intervene as the hon. member has suggested.

However, I would like to thank all those members who participated in this discussion, and in particular the hon. member for Kamloops for raising this most interesting matter and allowing the Chair to clarify these issues. Again, as I have complimented the hon. member in the past, the argument was succinct, to the point, and very cogent indeed.

I have given this matter a lot of very serious consideration and I hope the House is satisfied with my judgment.

The hon. member for Skeena is rising on a point of order.

* * *

POINT OF ORDER

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I will try to be succinct and brief and cogent. This is a matter in which I hope you will take the time to review the record.

This is a matter concerning a motion involving a request to have an inventory of Canada's old growth forests taken and to set aside 12 per cent.

I took this motion to the environment committee where we were hearing witnesses on the matter. For reasons that were never put on the record, the chairman, the member for Rosedale who is here, chose not to put the motion to a vote. At that point I sought the advice of the Table here and was advised that the motion was in order. I sought the advice of the Deputy Speaker and was advised that it was in order.

Yesterday afternoon at four o'clock I chose to take the same motion to the subcommittee on forestry chaired by the member for Fredericton—York—Sunbury, who is also here, and tried to put the same motion.

The point of order I wish you to look at, Mr. Speaker, is whether or not it is appropriate for the Chair of a committee to refuse to allow a member of the House to even put a motion. The Chair refused to allow it to be

put, at which time I appealed. It was a tie vote which was subsequently broken by the chair.

It seems to me that the point of order or question of privilege, which ever it may be, that needs to be reviewed is whether or not it is improper to rule out of order a motion that has never been allowed to be put. It seems to me a rather bizarre ruling for the chair to take and one that certainly does not allow a member to peruse his or her democratic rights as a member of the committee.

Hon. David MacDonald (Rosedale): Mr. Speaker, I am not sure whether the hon. member for Skeena is referring to the forestry committee meeting of yesterday or the environment committee meeting of the day before. There seems to be some confusion. Perhaps he would want to clarify that.

I would be quite happy to refer to the record of the committee which met on Tuesday. As the member will know, we began at 8.30 a.m. to hear six witnesses and it ran with some intermission for the House and other matters until the time of the vote on the amendment to the budget motion.

The member brought the motion to me and did not have an opportunity either to present it or speak to it until we were literally adjourning because of the vote in the House on the amendment to budget.

At that time as the member will recall, and I have the transcript before me, before the hon. member for Skeena even put the motion I said: "While on the motion, Mr. Fulton, I have had a brief opportunity to examine it. I think the committee is in a considerable difficulty as I read the motion. It in many ways has repeated the motion that you yourself presented in the House which then came to a vote and was defeated. I think that I would like to take the whole matter of the motion under advisement".

That is basically what I said. I think I repeated it several times. I will not burden the House with repeating it. I made it very clear to all members of the committee that I would look at it to make sure that it was in order.

At no time did I rule the motion out of order and the motion was of course not put. I was prepared to give a ruling at nine o'clock this morning. Unfortunately, the member for Skeena was not present. In respect for his interest in this issue I stood the motion until such time as he is present. At that time I am prepared both to make a ruling and to deal with the motion.

I am sorry that the member did not confer with me at any time since the meeting on Tuesday to know that that would be the case.

Mr. Fulton: Mr. Speaker, I am glad the member has taken the time to clarify. I think there is more on the record that could be read. I simply want to make it clear the concern that I have is not with the environment committee, although the member would certainly want to make clear that I did distribute the motion in writing to every member of the committee more than an hour prior to requesting that the vote be taken. I think the record will confirm that.

The point that I was raising was in relation to the ruling out of order of a motion. It was in fact exactly the same motion, but it was ruled out of order before it could ever even be read into the record. It was never even allowed to be put before it was ruled out of order.

I see the member for Fredericton—York—Sunbury here. Perhaps he would like to explain how it is that a motion that has not been put can be ruled out of order.

Mr. Speaker: If the hon. member for Fredericton—York—Sunbury, who is by the way a very fine fishing companion of the Speaker, wishes to engage in this debate, I will of course permit him to do so. I must counsel all members of the House that this is going beyond either privilege or order, but I will hear the hon. member.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Thank you very much, Mr. Speaker, for that kind commendation. Even the hon. member for Skeena would recognize that a fine fisherman is never all wrong.

The hon. member for Skeena came to the meeting of the forestry subcommittee yesterday for the first time. He came and gave me veiled warnings or advice as to what he had in mind.

I heard the first paragraph of the motion, which was exactly the same motion he had presented the day before to the environment committee at which I was present, as

were at least two other members of the forestry subcommittee. It was apparent what the motion was.

We had before us four citizens of British Columbia, all of whom we had suspected were going back last evening. We had two hours to hear them. I suggested to the hon. member that our forestry subcommittee had a very specific reference from the Standing Committee on Forestry and Fisheries. It did not include dealing with a matter such as that. The very first paragraph of the motion made it clear that it was not within the terms of reference of our subcommittee. Thus I ruled it out of order. The hon. member appealed and sought the support of the committee which he did not receive.

• (1530)

Mr. Speaker: First of all, the hon. member has now made clear to the whole nation exactly what motion he wished to put forward and I suppose the nation can stand in judgment on whether or not it is accepted. There seems to be some indication from at least one of the chairmen of one of the committees that perhaps after some discussion the hon. member might find that his motion would be accepted. I thank the hon. member for his intervention.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

PRIVATE MEMBERS' BUSINESS—MOTIONS

The Acting Speaker (Mrs. Champagne): The hon. member for Okanagan—Shuswap has given me written notice that he will be unable to be present to move his motion during Private Members' Hour on Friday, March 9, 1990. Since it has been impossible to arrange for an exchange of positions in the order of precedence, pursuant to Standing Order 94, I instruct the Table to place this matter at the bottom of the order of precedence.

Private Members' Hour shall therefore be suspended and, in accordance with Standing Order 94, the House shall continue with the business before it prior to the said hour.

Mr. Gauthier: A point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The hon. member for Ottawa—Vanier on a point of order.

Mr. Gauthier: I have just heard your ruling or your comments, Madam Speaker. I have personal reservations concerning two items slated to come before the House during Private Members' Hour. There are two bills, items numbers 3 and 8, which come from the Senate, that is S–11 and S–9.

Madam Speaker, I wonder whether the House might be prepared to proceed with the consideration of these two bills so we could dispose of them. We are given to understand that somebody has decided we cannot go ahead with these items because a recorded vote might be called. If that is the reason, I should like to know because I think we could deal with both Bills S–11 and S–9 in short order tomorrow.

[*English*]

Mr. Cooper: Madam Speaker, I am sorry, I was delayed at the Table when these discussions began and I missed part of it.

Perhaps I might offer a solution to the House. Could we have the consent of the House, if it would be in order, to call S–5 for Private Members' Business even though the hon. member would not be here? I have been involved with that bill and could work with him on it. Perhaps we could go by consent to deal with S–5 which is the one regarding the Salvation Army.

Mr. Angus: Madam Speaker, I do not wish to derail the proposal but before I could grant unanimous consent I would like to have an opportunity to do a quick review because I did not hear you in the only language I understand, which is my problem not that of the House, but I would like an opportunity to consult if I could.

Mr. Gauthier: For the assistance of members, Madam Speaker, I just want to remind members that indeed when a member cannot proceed with the appropriate motion or bill at the time of the calling of that bill, I understand the clerks telephone other people down the list to inquire if they are ready to proceed.

The exception is when a motion or a bill is up for a vote. According to my understanding of the rules, that cannot be moved up higher on the list than it is at that time.

My only question to you, and that is why I raised it, is that S–11 and S–9 are Senate initiatives which are not necessarily going to be the objects of a vote here, unless somebody has decided somewhere without my knowledge, and I thought we could proceed tomorrow with

study of those two items. That is the point I am trying to make.

Mr. Murphy: Madam Speaker, for clarification, could the parliamentary secretary indicate exactly which Senate motion or bill that he wants brought forward for discussion tomorrow? Is it S-5 or S-9?

Mr. Cooper: Madam Speaker, it is S-9, an act to amalgamate the two corporations known, respectively, as "The Governing Council of The Salvation Army, Canada East" and "The Governing Council of the Salvation Army, Canada West".

There have been considerable discussions on this bill between the three parties and it was my understanding at the last conversations, although none of them are current to these proposals, that all three parties were supporting the bill and that it would go forward without a vote. I do not think we are proposing anything that causes any problem to any party in the House.

The Acting Speaker (Mrs. Champagne): I thank all hon. members for their help. The problem is as follows: as far as S-9 is concerned, the hon. member in whose name the bill stands has refused for us to proceed as he will not be able to be here. So, that settles the question as far as S-9 is concerned.

Bill S-11, as the House may realize, is in front of the committee. We could not proceed with S-11, which is why I had to instruct the Table that we could not proceed with Private Members' Business tomorrow.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government.

The Acting Speaker (Mrs. Champagne): Before Statements by Members and Question Period the Hon. Member for Rosedale had the floor. He had three minutes left.

Hon. David MacDonald (Rosedale): Madam Speaker, in the few minutes I have remaining I will simply deal with a couple of matters which I had been addressing before we moved to statements and Question Period.

In looking at this budget it is very important to realize that it is a federal budget. It is a budget that recognizes that, in this country particularly, the national management of the country's economic good health cannot happen in some kind of an isolated vacuum.

There are two charts which I think speak loud and clear about the necessity of achieving some kind of fiscal balance in this country which is very important to our future economic and social health. One relates to program expenditures. On page 127 on the English side of this budget presentation, there is a very interesting graph which depicts the statistical situation we are in.

In the course of the last five years, since the mid-eighties, there has been an average increase in provincial expenditures for program activity of some 6.4 per cent, while on the federal side it has been held to 3.6 per cent, which is almost half the provincial average. In some cases, that expenditure has been a good deal higher, particularly in the province of Ontario, where it has been closer to 10 per cent, at 9.5 per cent.

If we look at the opposite page, showing the situation in respect of debt charges, the picture becomes even more dramatic. It is well known to everybody in this Chamber, and in fact now to many in the Canadian public, that our federal debt charges are 35.1 cents; that is one-third of every dollar. But the average on a provincial basis is a little over 10 cents, 11.8 cents. That is a dramatic difference.

The figures on those two charts tells us something. For the better part of the last five years, we have been in a situation where the federal government has been carrying an inordinate load in almost every aspect of program activity and expenditure. What has been attempted over the course of the last five years is to redress that balance in some kind of responsible manner.

We have put caps on some programs, not all, and in particular in those provinces which are in the strongest fiscal position to take it, in order that we can achieve some kind of balance.

• (1540)

I think that is very important. A lot has been made of the fact that there are no additional taxes in this budget, but I would say it is almost as important in terms of the future that some kind of balance is being attempted.

Over-all, this is a budget that is as much for the future as it is for the present. I have heard virtually no acknowledgement of that from the opposite side of the House. They have spent their time attacking the budget for doing the very kinds of things that are important to our future. I think our future is important, as I said, not only for economic reasons, but obviously for environmental ones.

I referred to the importance of the environmental legacy. We will have major responsibilities on our plate for the next 10 years in the environmental area. We will in no way be able to meet them unless we get our fiscal house in order and that, I believe, is the priority in this budget.

The Acting Speaker (Mrs. Champagne): Questions and comments? Resuming debate. The hon. member for Montmorency—Orléans.

[*Translation*]

Mr. Charles DeBlois (Montmorency—Orleans): Madam Speaker, at the outset of my brief remark I would certainly like to pay tribute to the Minister of Finance who for a number of months has been defending day after day with competence and authority, this government's monetary policy. Day in and day out, during each oral question period, the Minister of Finance in his calm and competent way has been defending the political will that is at the core of this government's action, the will to stabilize government finance.

In that respect, I am very pleased to praise the performance of the Minister of Finance who last Monday, during a coast-to-coast TV debate in Edmonton, literally thrashed the Liberal finance critic.

Let me simply quote from the numerous observers who chose the Minister of Finance as the winner, as for instance Mr. Mark Lisac from the *Edmonton Journal* who said: "Next time the Edmonton Chamber of Commerce invites the Minister of Finance they should choose as an opponent someone of his intellectual calibre, or of a comparable intellectual level."

Madam Speaker, I am pleased to rise on this sixth and last budget day to say how much I personally endorse and will vote for this government's fiscal policy.

What I find most interesting, although little known to the Canadian public, is that for a fourth consecutive year, this government I am proud to be part of will record a surplus on its operating budget. It is very often forgotten that, obsessed by the national debt, in the day-to-day government operations, if we add up revenues and expenditures, this Conservative Government, contrary to the previous Liberal governments, has been recording a surplus for some years. The surplus for this year is $9 billion and for fiscal 1990-91, it will be $12 billion.

But, and therein lies the problem, we were left with a poisoned legacy, a legacy that the opposition across the aisle and especially the Official Opposition—either through bad faith, blindness or absent mindedness chose to ignore, namely heavy debt we have inherited and which has doubled in a matter of six years. I am not afraid to acknowledge that. But 80 per cent of that twofold increase are due to compound interests on the debt—they are not of our making. And in that respect, it is interesting to note the comments— As you know, I am a former newspaperman, Madam Speaker, and it is interesting in that respect to quote from people who are not on the Conservative Party payroll. I am thinking in particular of Claude Piché, of *La Presse*, who is commending the Conservative Government for their efforts in stabilizing public finance. This is what he has to say: "We may lament on the current financial situation, especially the debt, but the only thing we can blame the Conservatives for is the promise they made when they were in opposition to tackle the debt cancer. They did not succeed but—and this is important—nobody can say they did not try. And on this point, he said that the debt was the fault of the Liberal government, which between 1970 and 1984 increased spending at an average annual rate of 14 to 17 per cent, while the latest Budget brought down by the Minister of Finance provides for a spending increase of only 3 per cent. This means a net drop in spending, if we account for inflation. If we consider that

inflation was around 5 per cent, the government's real expenditures have dropped 2 per cent.

I doubt anyone could do better today, in these difficult times, with a budget that does not hit the disadvantaged or people on low incomes. I stand by what I just said. And I think that with our GST proposal we are doing something to protect those who are least advantaged, people earning less than $30,000. I hear the leader of the NDP rushing to defend senior citizens. When I talk to my seniors, I tell them that this is the kind of tax reform no previous governnment had the guts to introduce, a reform that was recommended by many commissions in the past 40 years, and that we are going to implement this reform even if it is unpopular in the short term, and that they are protected. Popularity is not important in the short term. A real politician is interested in the long-term view.

By the way, I have some news that might interest you, Madam Speaker. In the latest issue of *Business Week* which is now on the newstands, we see that the Government of Ontario, which objected very strenuously to the Free Trade Agreement, is paying for a $600,000 ad. It consists of 8 pages of advertising marked *Ontario*, with a photograph of the Premier who says how important it is for Americans to take advantage of free trade and come and invest in Canada.

[*English*]

"Under the free trade agreement, most goods move between Ontario and the U.S. without tariffs."

[*Translation*]

Here is what I think: the Liberals do not have the guts to risk losing popularity in the short term. You know, undertaking a tax reform never brings popularity. They will be the first, in two or three years, to recognize the validity of this tax reform and of the goods and services tax.

That amuses me, Madam Speaker. It was reported in the newspapers the other day that one of the leadership candidates, the hon. member for Lasalle—Émard, promises to scrap the GST if he becomes prime minister. And if you take the time to read the article, you will see this: "When we come into office in 1992, I will send the GST back to the drawing board", says Mr. Martin, and here comes the interesting part, and I quote: "if it has not already been integrated with the provincial system and if it is possible to abolish it." That kind of political courage is hard to beat. Yesterday, the *Globe & Mail* could not do better than this:

[*English*]

"Confusion increasing over Liberal GST stand."

[*Translation*]

It is utter confusion. The Liberal leadership candidates are talking as if there were no deficit problem. They bluster about the environment, youth and so on and so forth, but when they are asked what their proposals are on this capital problem, zilch. Bury your head in the sand as much as you want, that will not make anybody forget these figures: each newborn Canadian is $13 400 in the red. The interest charges on the debt accumulate at the rate of $1,300 a second. I have now been on my feet for four minutes, Madam Speaker. The interest costs for those four minutes have been $12 million. Such is in practical terms the problem we have to face. I think it is extraordinary—

Mr. Robichaud: The cost is much higher.

Mr. DeBlois: I very much appreciate the comments of the member across the way. I think it is extraordinary that the Minister of Finance has succeeded—personally I would have gone even further—in his belt-tightening approach and I think he acted with proper judgment. This year he is asking the provinces to make a special effort.

You will even notice the average rate of increase in provincial expenditures has been about 6.5 per cent for a number of years while those of the government to which I am proud to belong have been increasing at the rate of about 3 per cent over the past four years or so. Can you beat that?

• (1550)

In this regard, Madam Speaker, I believe we demonstrated responsible management. Along the same line I was using a moment ago, there is an editorial in the last issue of *Les Affaires* entitled: The poisoned legacy of the Trudeau team, signed by columnist Jean-Paul Gagné, which says: "The national debt which was $321 billion on March 31st, 1989, will exceed $350 billion on March 31st of next year. Out of the $152 billion added to the debt since 1984, only 32 billion can be charged to the Mulroney-Wilson administration, but it is still too much. The balance, $120 billion, comes from compounded interest on the debt left by the Trudeau team". It is important that people know that. We are stuck with this cancer, we are stuck with this poisoned legacy. We are trying, we are waging our political future on our will to improve public finance, and I hope that members opposite, whether

from the Official Opposition or the NDP, will present alternatives. We are proposing a fiscal reform which, I sincerely believe, will in the end win us consideration and respect of Canadians who will see the value of our reform.

[*English*]

Mr. Ross Harvey (Edmonton East): Madam Speaker, let me at the outset apologize for being unable to put this question in any language other than English. It is my own failing.

I listened through translation however with fascination as the hon. member detailed his claim that all of the people he is talking to in his home riding and his home province are in fact in favour of la TPS, that the support that it enjoys is commensurate with his estimation of its propriety.

This, I must confess, quite puzzles me because it is my understanding that the results of a Gallup poll undertaken in the province of Quebec that were published about a month ago, showed about 70 per cent of Quebecers in strong opposition to the—

An hon. member: Who is right?

Mr. Harvey (Edmonton East): I am getting to that. Madam Speaker, it is an intolerable thing when one is heckled by one's own benches.

The Acting Speaker (Mrs. Champagne): The Chair must agree with the hon. member on this point. I would also like to remind the hon. member, if I may, that this is only a five minute question and comment period. To allow the member who just finished his speech to answer, maybe the hon. member for Edmonton East would put his question.

Mr. Harvey (Edmonton East): Forgive me, Madam Speaker. I shall proceed with celerity. Acknowledging that, for example, his children must be expected to support their father as must his spouse and presumably other members of his family, I am wondering where he gets the rest of these people who are so obviously out of tune with the 70 per cent overwhelming majority of Quebecers.

[*Translation*]

Mr. DeBlois: I would like to thank the colourful Member for Edmonton East for his question. In fact, it is a very easy one to answer. If you ask people: "Are you in favour of a goods and services tax?", I would be the first one to say no. But, if you let me explain— New Zealand's experience in this regard is very interesting. As that country's former Minister of Finance told the Finance Committee, three months before the GST was introduced, 66 per cent of New Zealanders were against the tax. Two months later, the proportion was reversed: two thirds of the people supported the GST. We are willing to bet that, once the GST has been implemented and the opposition has stopped its witch hunt, people will see that the world did not come to an end and that, on the contrary, we will be better off thanks to increasing exports and to a much more consistent and balanced tax reform.

Mr. Phillip Edmonston (Chambly): Madam Speaker, today I am making my maiden speech as the elected member of Parliament for the riding of Chambly. I would like to take a moment to say how proud I am to be here among my colleagues, several of whom I already know on both sides of the House. I would also like to thank those who helped me get elected in the riding of Chambly and especially my wife, Michelle, and the militant women in the riding.

In Chambly, we have been particularly affected by the budget of the Minister of Finance and we believe that, in a sense, this budget is what we would call a separatist budget. I will explain.

It is separatist in the sense that the government is trying to shirk its obligations towards the provinces. It is a strange way to sell federalism and it is even the opposite of what I call profitable federalism.

Regarding the importance of the Meech Lake Accord, even in today's context where Newfoundland has proposed to withdraw her support, we, in Chambly, like many others in Quebec think this rejection of the agreement is directly tied to the Finance Minister's budget. I will explain why the Wilson budget does a bad job of selling federalism to Canadians.

One resident of Richelieu in my riding of Chambly, a farmer, told me the Wilson budget is a little like a man who brings his family to a restaurant, tells them to order whatever they wish, eats and drinks more than anybody else and is quite content, but sneaks out when time comes to pick up the tab. He is nowhere to be found. That may happen once or twice, perhaps, but after that people will no longer be tempted to share a table with that man. That is how that farmer sees the Wilson Budget.

As far as I am concerned, I see the Budget in the context of the social contract that we, the voters, have with the government. Obviously, I am referring to the social contract which Jean-Jacques Rousseau described as a relationship between the government and the people that should be based on freedom and equality. And I find that the Wilson Budget violates that social contract for different reasons.

In Quebec, for example, there is the GST. I have listened to my hon. collegue for Montmorency—D'Orléans. I admire him for his command of the French language and his so wonderful accent from Orléans Island, but I cannot agree with him on the GST because it seems that in my constituency, the GST is now turning the middle class into and endangered species. It is an unnecessary tax for we have other means of balancing the budget.

• (1600)

The cuts in federal transfer payments to provinces threaten the health of seniors. I have talked with seniors in retirement homes in my riding and these people's concerns are very real. They fear the GST, but that's not all. When I think about the social context in which we live, I fear for seniors, for middle-class people, for our youth, for our students. I think that with the cuts in transfer payments to the province of Quebec, we are mortgaging the future of our youth, especially with regards to postsecondary education. This will have disastrous consequences for our society in Quebec.

So the government puts the burden on middle-class Canadians, who are directly affected by the GST, on seniors and on our youth. Very few people escape these measures.

What a reward for Quebecers! Madam Speaker, the hon. Minister of Finance had a choice. I still remember, some time ago, when he said: "You had the choice". He was talking to Mr. Turner. But this time, it was the Tories' turn to choose. They could have presented an honorable budget respectful of all Canadian citizens, a fair and equitable budget. But they chose not to. It would have been possible because my Conservative friends always ask what are the alternatives. I can name a few. Instead of increasing the defence budget by 5 per cent, they could have cut it by 10 per cent. The US Pentagon has already decided to go that way.

Having spent three years in the armed forces, I know we could save a lot of money in the Defence Department. Sure we could save money, up to $1.2 billion. If we lowered interest rates by two per cent, we could reduce our deficit by $6,2 billion in three years. But I do not ask for the Bank of Canada Governor's resignation because I do not want to stir up a constitutional crisis. However, I think that the government could try to convince him to lower interest rates by at least a few points because right now, there is a five point difference between Canadian and American rates. Never has there been such a gap. It makes for a dangerous situation!

I agree with this proposal made by members of other parties. I remember that even Mr. Chrétien from the Liberal Party said that interest rates should come down.

I am not saying that this idea only come from the New Democrats, or only from the Liberal Party. Even Mr. Bourassa, the premier of Quebec, agrees and he is an economist.

I think you will find there is a consensus on the interest rates being too high and that the Conservatives and this government not having the monopoly of truth should ask themselves: Have we made a mistake here? That's it! Ask yourselves that question instead of saying: Ah, we made the tough decisions, the unpopular decisions. You should not wear a lapel badge saying that you are unpopular because people do not understand you. I for one believe that you are not popular because people understand you too well. They understand that your budget is not in their interest.

Another thing that could be done with this budget would be to levy a minimum corporate tax. I was sitting here and heard the Minister of Finance say: Listen, that is difficult because how can we possibly rate small- and medium-sized companies, major corporations and so on? I think that decision has already been made in the United States; and we have seen precious few American

companies go bankrupt as a result of the minimum tax levied against them by Washington.

I noticed with interest last month's increase in the number of bankruptcies in Canada over the previous month, in a country where we have no minimum corporate tax, but with the coming recession we have had 30 per cent more bankruptcies than in the past.

Of course the new approach I am suggesting to the federal government calls for courage, the kind of courage which will restore voters' confidence in federalism. Talking about federalism and courage, I should like to refer briefly to the Meech Lake Accord if only because it did take a certain amount of courage on the part of the government to support Meech Lake, and I commend them for that. It did take some courage from all three political parties here in the House—the Conservative Party, the Liberal Party and the New Democratic Party—to vote in favour of the Meech Lake Accord.

We understand René Lévesque's message that it was worth the risk.

When I quoted René Lévesque, you said: Good heavens, quoting a separatist during a constitutional crisis! I don't see it that way. Let me quote what Mr. Lévesque said in September 1984. I think it sounds very brave and very relevant today. He said: "If federalism could be made to work better than it does, if it could be improved, wouldn't this stifle our basic option and put sovereignty on the backburner? In any case, there is an element of risk. But it is an attractive one, and in any case we cannot afford not to take that risk".

In today's situation, some provinces are not prepared to take that risk, including Newfoundland, and perhaps New Brunswick and Manitoba.

I believe that Canadians must once again find the courage to set aside partisan considerations and their fear of taking this risk. We must support Meech Lake.

• (1610)

As for me, as the member for Chambly, I intend to support Meech Lake, which is the best way, I think, to regain confidence in federalism. I intend to stand up for Quebec, but within the Canadian confederation. I intend to support the Meech Lake Accord and to oppose the GST as well as the new budget tabled by the Minister of Finance. This is the very best way I have found to serve my constituents.

On February 12, the constituents in Chambly sent a very clear message to this House, in Ottawa, which I hope my colleagues on the other side have understood. My constituents are calling for change on the tax issue, including the GST, and on the budget very recently introduced by the Minister of Finance.

And finally, I intend to continue to oppose any action by the federal government to transfer its obligations to the provinces and to make them pay for its blunders. I will oppose that kind of action today and I will oppose it as long as I will sit in the House of Commons. But that will not prevent me from congratulating the government on its good moves. And when the best interests of Quebec are threatened, I will be the first to criticize the government.

[*English*]

For my English-speaking friends, I would just like to say that it is with great honour that I come here elected as the first NDP Member of Parliament from the Province of Quebec and from the riding of Chambly. It is with a great deal of humility and excitement that I come before you, my peers, in order to explain to you that in Quebec we are an intelligent province. We are an intelligent people and we are a tolerant people.

I am an English-speaking Quebecer elected in a riding 90 per cent French. I speak French with an accent. I find that the *chaleur humaine*—once again I actually forget my words in English—but the feelings of belonging and a full feeling of being a Quebecer—as an English-speaking Quebecer, I have that in my province. I am not an oppressed minority. I believe in Quebec. I believe in the Meech Lake Accord and my party believes in the Meech Lake Accord.

I believe that in Parliament all three parties have distinguished themselves when it came to the crunch and the moment to vote, which was a most important moment here in Parliament, by putting aside the partisan question, the fear of the unknown, and the false fears, and we said: "The minimum conditions of Quebec must be met. Quebec is important for the rest of Canada. We want Quebec integrated in the Constitution." I am proud

of that, and I believe that the other political parties here can be proud of that also.

I trust that in the future Mr. Mulroney will be able to deal with Newfoundland, Manitoba, and New Brunswick so that finally Quebec will gain its place in the Constitution.

[*Translation*]

Mr. Couture: Madam Speaker, I have a question for the honorable member for Chambly. Our government has slowed down the growth rate of spendings from 14 percent in 1980–84 to 3.6 percent in 1984–88; the latest budget will reduce it further from 3.6 to 3.2 percent. I would like to know what better solutions the honorable member for Chambly has to suggest.

Here is the second part of my question. Instead of a federal sales tax that is hidden, destructive, and very harmful to all Canadian businesses, the smaller ones in particular, I again ask the honorable member for Chambly what his alternative would be.

Mr. Edmonston: First, madam Speaker, about the GST, I must tell you that I do not trust statistics and polls too much, especially not that from government, because I much prefer those from independent sources. A leading article published in *The Wall Street Journal* on December 26 has made quite an impression on me. My honorable colleague has surely read that article. It was entitled: *Ducks Fly North*. This fascinating article showed that, after five years in power and despite the fact that its revenues have doubled during that time, the Mulroney government was on the brink of bankruptcy. *The Wall Street Journal*, this bible of the American businessman, so to speak, has in fact criticized harshly the Mulroney government for its management of Canada's finances. I would suggest that my honorable colleague read the article in question. It was so harsh that the Finance Minister had to write back to *The Wall Street Journal* to ask for some kind of retraction, which the paper never agreed to offer.

As to the second part of the question, namely how to replace the manufacturers' sales tax, you must understand that it has been increased from 9 to 13 or 13.5 per cent—I am not sure which—by the conservative government, which is responsible for this misfortune striking all Canadians. There must be an alternative to the GST which, according to the increasing number of studies done on this issue, is a dangerous fiscal policy, hurts most Canadians and only benefits the business sector.

[*English*]

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, I want to start by congratulating the hon. member on his election and on his maiden speech. I remember very well his work as a consumer advocate in Quebec when I was Minister of Consumer Affairs. Obviously, he has continued his good work over the years.

I want to put this question to the hon. member. He is aware of the fact that the budget freezes EPF transfers to the provinces to the extent of $7.4 billion. The cost of the two–year freeze will transfer a burden of $7.4 billion to the provinces. He, like myself, lives in the province of Quebec. We have seen the present situation of health care in the province: emergency wards filled with patients, and nurses on strike because they cannot get a decent wage. I am familiar with the west end of Montreal.

Would he give a lesson to the government members and tell them what these cuts in EPF will mean to health care on the south shore of Montreal, the hospitals, the centres, and the CLSCs, so that they will know what damage is being done to our province by this budget?

• (1620)

Mr. Edmonston: Madam Speaker, I thank the hon. member for Notre–Dame–de–Grâce for his question. I think it is an appropriate one.

First, I would like to say that the GST has had an incredible effect, almost to the extent of making the Prime Minister's prediction that he was going to make a national reconciliation. He has reconciled the government. He has reconciled the population against his government.

It is incredible in the province of Quebec, and I think I probably represent the latest survey by my presence here. I believe that you can easily see that the discontent is so serious that it cuts across party lines. It cuts across linguistic lines. It cuts across the geography of Quebec. I guarantee that if the government does not take the GST

away, it will have a tough time finding a safe Conservative seat in the next federal election.

I spoke with Michel Clair, who is the former President of the Treasury Board of Quebec, and who is presently the President of *le Centre d'accueil du Québec*. He gave me some very distressing figures which would respond specifically to the question of my hon. colleague from Notre-Dame-de-Grâce. Michel Clair has said that the loss of transfer of payments will mean, first, $300 million this year and $600,000 next year, lost to Quebec. That is almost $1 billion we are losing.

When the Minister of Finance says that there are no new taxes, there are new taxes. He also told me—I have seen this in recent reports in the papers—that what is occurring is that the Quebec government is going to have to make up the difference. Right now the manufacturers have addressed some of the responsible bureaucrats from the provincial Ministry of Finance to see if they cannot get a 6.5 per cent goods and services tax on a provincial basis in Quebec. Those are the taxes of the Wilson budget from the Mulroney government.

Another point I would like to make is that the number of people who are distressed and the overloaded emergency wards are terrible. It is unacceptable. This is going to get worse and not better, according to Michel Clair, because these people will either be turned away or will have to wait unduly across the province because the money is not there.

[*Translation*]

Mr. Waddell: Madam Speaker, I too would like to congratulate the hon. member for Chambly on his election and on his maiden speech. He said that the Wilson budget was a separatist budget, a budget that is not good for federalism and that is against the social contract. He also said that his constituents are against the GST. I want to tell him that my constituents on the west coast are also against this budget. I think that, finally, we have found something that unites our country.

[*English*]

In other words, we finally found something recently that unifies the country and that is the opposition to the GST.

I want to ask the hon. member a double-headed question. First, he issued alternatives such as a minimum corporate tax, lower interest rates and lower defence spending and I wonder if he had any other ones. Also, I wonder—

The Acting Speaker (Mrs. Champagne): Unfortunately, the time for questions and comments is now over. There was a minute-and-a-half left. I thought the hon. member could use it, but the time has now expired.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, on this side of the House, we must ask why this budget, three years after the publication of the Brundtland report, ignores sustainable development. Why, since 1984, is the government retreating on environmental protection? Why does the Environment Department, including this year's increase, receive less than 1 per cent of the federal budget, slipping from fifteenth to sixteenth place on the list of allocations, department by department? That is a shameful record in contrast with the many declarations by this government on sustainable development, including that signed in 1989 by the Prime Minister in The Hague firmly committing Canada to the principle of sustainable development.

We heard about the cancellation of federal funding for the OSLO oil sands project. Why? To save money, not to save the environment. Because of the deficit, not because of global warming. In fact, the energy minister recently assured the oil industry that if oil prices go up, the federal government may again spend millions of taxpayers' money.

The Calgary Herald in a commentary a few days ago called for a realistic assessment of what Ottawa's pull-out means for the future of OSLO and oil sands developments. I quote:

> —it changes the situation very little, if at all. Ottawa will continue to pay its share of the roughly $140-million worth of engineering work that will take the project to blueprint stage sometime in 1991.

The Prime Minister signed the Hague Convention on Canada' behalf. Canada is committed to slowing down climate warming. Why then does he not stick to the promises he makes abroad on environmental issues and start reducing our dependence in future on fossil fuels? Why is the Government of Canada not capable, despite this tired and unimaginative regime, of delivering on what Canadians are demanding in poll after poll, namely, action to protect the environment and global climate, to implement sustainable development, to integrate the

economy with the environment, to anticipate and prevent instead of reacting and curing, and to deliver social programs where sustainable development requires it. Surely, we have the skills. Surely, there are models, in Sweden, the Netherlands, in Norway.

At home, Canadian proposals are emerging all over the place, including the tax on environmental nuisance, proposed by the Quebec Union for the Conservation of Nature, *le Groupe de recherche appliquée en macro-écologie*. It would be a tax on carbon emissions which could eliminate the need for the goods and services tax, and at the same time help reduce carbon dioxide pollution which leads to global warming.

In his first budget in the 1990s, the Minister of Finance fails to put on notice polluters and fails to encourage those who do not wish to pollute. What is he waiting for? What is preventing him from applying green ideas to Canada's tax system? Why is the Minister of Finance not exempting from the goods and services tax products approved as environmentally friendly by the Environmental Choice Program? Why is he not shifting, instead of slashing, funds for the advancement of renewable sources of energy? Why is he not strengthening Canada's research capability in environmental technology? Why is he not accelerating tax write-offs for investments made by business in industrial processes which would reduce pollution? Why is he not developing incentives for the reduction of waste to help municipalities in their Herculean efforts?

The fact that no actions are being taken tells us that the government has understood only that there is a vote-getting opportunity in the environment. It has stopped there. It has not recognized that glowing rhetoric on the environment must be supported by concrete actions. Thus, it allows itself, and quite rightly so, to be accused of political opportunism. A good example is the budget speech.

On the one hand, the Minister of Finance says: "Canadians want action to protect our environment", and then the so-called environmental action plan which was to be announced at the same time as the budget as an economic as well as an environmental statement is postponed. We learned also that the plan will be fiscally responsible. That is an ominous signal that the Minister of Finance intends to handcuff the Minister of the Environment.

• (1630)

Evidently this government does not understand what sustainable development means. The environment and the economy are seen as separate and competing forces. The government pays lip service to sustainable development but does not want to make tough decisions. Clearly sustainable development ranks very low in this government's priorities.

It is not by accident that the environment department receives less than one cent of every federal dollar spent. It is not by accident that the Winnipeg Centre for Sustainable Development, promised in September, 1988, by the Prime Minister at the United Nations, is still waiting announcement. It is not by accident that the environmental agenda was rejected by cabinet. It is not by accident that this government pays only lip service to renewable and non-fossil fuel forms of energy. It is not by accident that Petro-Canada is to be sold because the government does not recognize its value in developing alternatives to fossil fuels in the future.

This government's attitude to the environment is summed up by the Minister of Finance himself, as reported at page 8609 of *Hansard*, when he says that as long as the deficit is at the current level "We will not have the money to spend on health care, on post-secondary education, on the environment, on native affairs or on any of these policies".

He goes on to say that if he can reduce the deficit in five years only then will "we have billions of dollars more money either to cut taxes, look after maintaining and improving these programs or look after new initiatives such as the environment".

The environment should, in his opinion, wait five years. Well, a major environmental wave will sweep the Tories out of office by 1992. It will not wait five years.

This budget is silent about Canadians whose survival depends on fish. Globally we have not practised sustainable development harvesting of our fisheries. If we take the necessary but tough conservation measures now, then in a few years we will have thriving fishing communities in Atlantic Canada again. In the meantime though we must support the coastal communities by way of social programs to ensure a stable life until the resource

recovers. Instead, the Minister of Finance remains silent on a burning social issue.

The Minister of Finance in this budget has abandoned social programs. His message to the provinces is clear: "You are on your own". His vision of Canada consists of one word, "deficit".

Canadians must watch out now. Ottawa is retreating in true Meech Lake fashion. The provinces and municipalities are asked to carry the burden. You, who may be in need of housing, family services, health care, women's services, you name it, do not look any more to Ottawa. The solution of social issues has to come from elsewhere. Lower your sights. Look at your provincial capital. Canada, in true Tory fashion, is just a community of communities. It is no longer a strong and proud federal nation. What an abdication of responsibilities.

A long time ago, and yet it could have been yesterday, William Lyon Mackenzie King said this about the Conservative Party: "Tories, allow me to congratulate you, your feet are at last on the people's necks." Yes, their feet are on the people's necks, but only until the next election.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the hon. member who has just spoken. He mentioned carbons and carbon dioxide. I wonder if he would expound on what this government is doing to try to overcome that and play its part in the international community.

For example, reforestation agreements with six provinces have expired. They have not been renewed. Does the member know whether these are going to be renewed or not since forests are a great asset when it comes to overcoming carbon dioxide and of course for the health of the environment generally? Our fisheries are being depleted. What is the government doing about this? At the United Nations, Canada seems to have been dragging its feet on ratification of the Law of the Sea. Rivers and harbours are polluted all across Canada.

What is the government doing? Does it have a concentrated effort afoot to try to cure some of these things? Is it really doing anything about forestry projects in this country? Is it doing anything to encourage forestry on the international scene. Deforestation is taking place and we need to do something in order to overcome the very serious carbon dioxide problem in the world.

Mr. Caccia: Mr. Speaker, I want to thank my hon. colleague for his question. In brief, the answer is that concerning planet warming and CO2 pollution the government is making high-sounding, well-phrased rhetorical declarations abroad. It is cutting research relevant to the subject. It is continuing to fund our dependence on fossil fuels by way of support of mega projects, as in the case of the engineering studies on the OSLO project. Finally, it is not renewing the forestry agreements, which I am sure the hon. member is extremely interested in, with the major forest-growing provinces, namely, Ontario, Quebec and British Columbia.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in discussing this Conservative budget, let me start by saying that it is a total fabrication to suggest, as the Minister of Finance and other Conservative members have done, that the government's budget policy does not include any tax increases.

The minister's speech on February 20 did not directly mention any new taxes. However, that speech is only part of the government's budgetary policy. The total budgetary policy of the government includes a deluge of taxes beginning with the goods and services tax which is presently being pushed through this House, the bill being in committee at the present time.

In addition to the goods and services tax, we have surtaxes dating back to 1984, the clawbacks on old age security and family allowances, and the increases in contributions for unemployment insurance as a result of the government's Bill C-21.

So while the minister's speech on February 20 might not have mentioned any new taxes, the budgetary policy of the government, of which that speech is only part, is full of tax increases. The goods and services tax alone has been described as the biggest tax grab in Canadian history.

If the bill is passed as it stands and goes into effect in January of 1991, the government will be able to raise, through that tax alone, $1.7 billion in the fiscal year 1991-92. The federal government's tax revenues have

increased by $48 billion since 1984 as a result of the budgetary policies of this Conservative government.

I have mentioned that those tax increases have taken the form of surtaxes, de-indexation, tax rates, by the clawback on old age security and family allowances which legislation is also going through this House at the present time. By the way, the clawback on the old age security and the family allowances will benefit the government by $2 billion.

While the government is raising this massive amount of money in taxes, what has happened to the deficit? As my colleague who spoke before me pointed out, everything this government does is an attempt to deal with the deficit. But despite that massive increase of $48 billion in taxes since 1984, what has happened to the deficit?

In 1984, the national debt was $170 billion. In March, 1990, this month, the national debt is $350 billion. The national debt has doubled since this Conservative party has come to government.

Mr. Hopkins: It has more than doubled.

Mr. Allmand: More than doubled, my hon. colleague says. The Canadian people might very well wonder what has happened to the massive amount of moneys that have been raised by the government in new taxes since 1984.

• (1640)

In addition to the tax increases that have resulted from the budgetary policies of this Conservative government, the government has also cut deeply in essential services that Canadians need. It has frozen the Established Programs Financing policy, through which policy we fund post-secondary education and help the provinces fund medicare and hospitalization. By freezing the budgets under the EPF programs for two years the government will charge the provinces with a bill of $7.4 billion. In other words, the provinces will lose $7.4 billion that they would have otherwise received if the government had not put that freeze on the EPF program.

What does that mean for the provinces? We are not talking about trivial services here, we are talking about hospitals, doctors, physiotherapists, and nurses. I put a question earlier to my newly elected colleague from the province of Quebec. Those of us who live in Quebec know the situation in our hospitals. We know about the crowding and how the emergency wards are crowded with patients that should be in beds. We see line-ups of people at doctors' offices. We know that services are not being performed that should be performed. We had a massive strike by nurses during the past year, nurses who should be paid at a much higher rate but are being paid, in our province, at a lower rate because the funds are not available. How much worse will it be as a result of these cutbacks in the transfers from the federal government to the provinces?

Other speakers in this debate have mentioned post-secondary education. If there is one thing that should never be cut, no matter what the economic situation is in the country, it is education. If times get tough in a family, the last thing we do is take the kids out of school, sell the home or scrimp on medical care. We may cut back on luxuries, on holidays and things like that, but we do not cut back on education. As a nation we should never cut back on education either because education is the basic infrastructure which will lead to economic growth in this country. It is by having a highly educated and highly skilled population that we will increase the productivity and the productive capacity of this country.

So when the government says, on the one hand, that it wants to cut back on the deficit, it seems rather strange that the very policies which will help cut back on the deficit are the policies the government is cutting back. The government is cutting back on education and training which in turn lead to an increase in productivity and additional revenue for the country, which would in turn cut back on the deficit.

In addition to the cuts in transfers to the provinces for medicare, health care and education, the government is also putting a lid on the transfers to Ontario, Alberta and British Columbia under the Canada Assistance Plan. That will cost those provinces $155 million. Here we are talking about such things as day care, corrections and welfare payments to mothers with children who cannot work. The cutbacks amount to $165 million for social housing when we have 200,000 homeless people in this country. There are cutbacks to our native peoples in their core programs and cutbacks to women's centres. As a result of this budget the government is shifting a burden of over $7 billion to the provinces.

We must consider this budget in the light of the social and economic conditions which are prevailing in this country at this time. Whenever we put questions to members of the government about the social and economic conditions in the country they love to refer to what they say is the great increase in jobs that have been created since they came to power in 1984.

I refer you, Madam Speaker, to a report, which came out on February 14, 1990, just a couple of weeks ago, put out by the Economic Council of Canada which is called *Good Jobs, Bad Jobs*. What does the Economic Council say about the jobs which have been created in this country in recent years?

First, it says that over 70 per cent of Canadian workers are now employed in service industries. Later the report points out again that over 50 per cent of the jobs created in service industries are in low paying, minimum wage, non-unionized jobs where there is no training, no future and no benefits. The report also says: "Over-all, the growth of these employment forms is undermining the economic security of a significant and growing portion of the work-force. In the long run this may even have negative consequences for the fabric of Canadian society."

That is what the Economic Council has said. It is not what the Liberal Party is saying, although we have been saying that for many years now. I have been saying that in the House when I put questions to the ministers for employment. I have asked them about the quality of the jobs that they say they are creating, Can a person start a family, build a home, build a new life when they are working only 12 hours a week at a minimum wage? No, they cannot. So you have to look behind those unemployment figures.

By the way, the rate of unemployment now has gone up for four consecutive months and we will get another report by Statistics Canada tomorrow on the unemployment situation. Many expect that it will continue to go up. As a matter of fact, even the Minister of Finance has predicted that the rate of unemployment will increase to 8.5 per cent in this year. Yet he stands pat, he does not change his policies for economic growth, he does not change his policies for job creation, and he does not change his policies with respect to unemployment insurance.

We have another recent report as well which says more or less the same thing. This report is put out by the Canada Employment and Immigration Advisory Council. This is an advisory council set up by the Minister of Employment and it is equally critical of the government. It says: "After nearly six years of economic recovery many regions of the country continue to experience double digit unemployment and some have not yet regained their pre-recession employment levels. Although there have been many new jobs, many of these are in the part-time, low paying service sectors."

This is an advisory council to the government appointed by the Minister of Employment. Its report says that many of these policies will have major negative effects which will be experienced in the regions of Canada. The policies to which it refers are cutbacks in regional development, reduction in the growth of transfer payments to the provinces for health, social welfare and education, changes to the unemployment insurance program, closure of Canadian Forces bases, lower subsidies to VIA Rail, lower subsidies to the CBC and postponement of the *Polar 8* icebreaker program.

Here we have two independent advisory councils, the Economic Council and the Canadian Employment and Immigration Advisory Council, both telling the government to do exactly the opposite of what the government has done in this budget.

I understand that my time is up. In addition to containing massive tax increases, the budgetary policy involving massive tax increases, in particular the goods and services tax and cutting back on essential programs in health care and education is also a recipe for recession. If the government continues along the lines that it is going, it is going to push this country over the precipice into a major recession.

[*Translation*]

Mr. Blackburn (Jonquière): Madam Speaker, I take it from my colleague's comment, the hon. member for Notre-Dame-de-Grâce, that he did not read some articles from the *Journal de Montréal* which reported that the former *Parti Québécois* Minister, Mr. Bernard Landry, had phoned the Minister of State for Finance to tell him that that budget was quite a feat, a very good budget and that Mr. Wilson was the best Finance minister Canada ever had.

I would also ask our colleague from Notre-Dame-de-Grâce to comment on the budget of one of his former colleagues, who, when he was Minister of Finance back in 1981, stated, as reported in the *The Ottawa Citizen* of

Saturday December 19 1981, that he had to modify his budget because it was incorrect.

• (1650)

Madam Speaker, among others things, I have here, in this press clipping, 16 different amendments made by the then minister of Finance, the honorable Allan MacEachen. May be, he could compare or share with us his comments on the difference in credibility between the present minister of Finance who, I think, for the last five years, has proven his capacity to make responsible budgets to correct the mistakes of the previous Trudeau government which left us a $200 billion deficit and the situation that we know while the then government was saying: "We will never freeze wages." It is the same government which, a few months later, when it was in office, put a freeze on wages and prices and so on, increasing the tax on gas which rose from 18 cents to over a dollar. Maybe he could comment on the good times when he was a colleague of the then minister of Finance, M. MacEachen.

[*English*]

Mr. Allmand: Madam Speaker, with respect to the praise given by the ex-Minister of Finance for Quebec, Mr. Landry, who was a minister of finance for the PQ government in Quebec, I never had any confidence in Mr. Landry when he was the minister of finance in Quebec and neither did the people of Quebec because they threw that government out, including Mr. Landry.

As a matter of that, that PQ government led by Mr. Levesque, of which Mr. Landry was the Minister of Finance, wreaked economic havoc on the province of Quebec. If Mr. Landry is praising the Minister of Finance for his budget, I would caution the Minister of Finance from taking that praise too seriously.

My hon. colleague, who is the Chairman of the Standing Committee on Labour, Employment and Immigration and with whom I work frequently, quotes articles and editorials from newspapers praising the budget. If he wants to get into a game of matching editorials with editorials I could bring into the House a pile of them, which would be four or five times greater than his, condemning the budget. As a matter of fact, if I had time I would start reading them. I have here a whole booklet full of editorials and comments by various associations, groups, newspapers and commentators condemning the budget.

No doubt there are some groups in this country, such as the Fraser Institute and others, which think this is a wonderful budget. Most right-wing Tory-thinking organizations think it is a wonderful budget because all they have in mind is the deficit. Reduce the deficit even though you kill our post-secondary education system, even though you throw people out of hospitals. No matter what you do, protect the rich and kick the poor in the ass.

Mr. Milliken: Madam Speaker, I rise on a point of order. The Hon. Member for Notre-Dame-de-Grace, I know, has a lot of editorials and documents that would be of interest to members. I wonder if there would be consent to have them printed as an appendix to today's *Hansard*?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Resuming debate. The hon. member for Mercier.

Mrs. Carole Jacques (Mercier): Madam Speaker, on February 20, the Minister of Finance brought down his 1990 Budget. I want to congratulate the minister on another job well-done.

We all know that the economy of the country is based on growth. As a country becomes more prosperous, its economy improves.

When we came to power in 1984, the economic situation in this country was deplorable. We had a national debt of $200 billion and a deficit of $38 billion. Canadians gave us a clear mandate to turn around the Canadian economy. That is what we have done, it is what we are doing now and what we will keep on doing.

Reflecting the wishes of Canadians, since 1984 the federal government has introduced structural reforms in the economy in order to enhance our competitive position and improve our potential for expansion and for creating jobs. This strategy has produced some impressive results. In Quebec, for instance, 356,000 new jobs were created. Unfortunately, our potential for growth is eroded by a crushing debt that has mortgaged the future

of generations to come, and this, Mr. Speaker, is the fault of the Liberals who left us this crushing legacy.

An hon. member: Ha, ha!

Mrs. Jacques: Shame! The hon. member should realize this is no laughing matter.

No, it is because of you that we are at the point where we have to make budget cuts to deal with this lamentable situation. People criticize us and you criticize us too.

We must therefore reduce the debt to ensure sustained economic growth.

Canadians know that the measures taken in this Budget are necessary to avoid a recession or a disastrous future for all of Canada.

Madam Speaker, I admit that some of these measures are difficult, but they are also absolutely necessary. We will be able to see the positive result of these budget cuts by 1995 when the deficit will be down to $10 billion.

Our government preferred to reduce expenditures instead of raising new taxes. Indeed, Madam Speaker, this Budget has no new tax. Seventy per cent of the actions taken to reduce the deficit apply to spending. We reduced the size of the Public Service by over 12,000. We intend to privatize Petro Canada because that will enable people to own shares in it directly. Cuts will also be made to some privileges of public servants and parliamentarians. Government subsidies and assistance will also be reduced. Some programs will be reduced, others will be eliminated. We are also proposing several changes which will considerably improve the income tax system and make it fairer for all taxpayers.

But, Madam Speaker, we made sure that the most important social programs such as family allowances, benefits to seniors and veterans and unemployment insurance were spared. We recognize our people's essential needs and are striving to ensure that low-income Canadians are affected as little as possible by budget restrictions.

Budget cuts are not always easy to make. Everybody says: "Go ahead and cut but not in my backyard, not in my pockets." How can you take measures that will not affect people? The Liberals have left us in an economic chaos, which I find appalling. By electing us in 1984 and re-electing us in 1988, the Canadian people have given us a clear mandate: reducing the deficit! But if people want us to reduce the deficit, I ask them to do their part. It is not always easy. The situation resembles that of a man who tells his wife that his week's pay was cut. Instead of going to the hairdresser twice, the lady will go only once. Of course, the husband would like to tell his wife to have her hair done everyday, to hire someone to do it at home. But they cannot afford it. But if they keep on saving, one day perhaps, they will be able to hire a housekeeper or some help.

So the important thing is that we must all work hand in hand, help one another and reduce the deficit. We do not have the choice, as I said earlier, it is a matter of economic survival. We decided upon those measures in the best interest of Canadians. Our country's prosperity depends largely on our determination to tackle right now our deficit problems in order to control inflationist tensions. It is with a government like ours, a government that is not afraid to act, that we will succeed in building our country. We will succeed because we have the unfailing support of the Canadian people. It is not by throwing grants left and right, as the Liberals did in the past, that we will buy our seats. Because you know, Madam Speaker, we did reduce the deficit. Listen, I have a very good example for you. When I was first elected in 1984, through the Canada Works Program, which we all know and which has been changed since then, I had $2 million to spend in my constituency. That's awful! We now manage with $700,000 for each constituency. Can you imagine that! Our Conservative government has cut more than one million dollars per constituency. Listen, before the election, my opponent was giving enormous amounts away to churches, half a million at a time. Don't you find that unusual when our people are in need? I found it simply terrible that we would squander money away like that, and then my parish priest was mad at me because I had no money left for him. You don't buy people that way. I thought it was awful.

• (1700)

Madam Speaker, foremost among the budget objectives are the cut-backs which will make it possible to bring the deficit down to $28.5 billion in 1991, then in the three years after that it will be reduced by half, down

again to $14 billion. By 1995 it will stand at $10 billion and at that time we will regain control over our economy.

Madam Speaker, there being no ready–made solution to the ever growing national debt problem, the steps taken in this budget are therefore essential if we are to bring lasting economic prosperity to this country.

The priority of our government since 1984 has been to get a handle on the deficit and the national debt while restoring better control over our finances. Such was the mandate given to us by all Canadians. When we came into office, forecast program expenditures were $16 billion more than revenues. Now, the government's expenditures are $9 billion less than its revenues. This turnaround of more than $25 billion makes all the difference and proves that we know how to manage our finances.

Significant economical progress has been made because we have controled program and federal service growth. Budgetary initiatives, combined with better management and the implementatioon of the goods and services tax make up the government's economic strategy to restore our country's financial health and improve our economic performance on the international scene.

This budget takes into account the economic situation in Quebec. I want assure Quebecers to know that the extra help they receive through equalization payments will remain untouched. Neither will it be affected by the 5 per cent limit imposed on federal transfers under the Canada Assistance Plan. In fact, major transfers to Quebec should increase overall by some 3,2 per cent in 1990–91, and 3,4 per cent in 1991–92.

In sum, Madam Speaker, Canadians have adjusted well to the changes introduced by this government. The number of jobs created and our numerous achievements prove that our policies are working.

Our mandate is to restore Canada's financial balance, and because of that we are committed to reducing the waste that was a major contributor to the debt. We will keep on making the changes that are needed as long as this country's economy has not stabilized.

In conclusion, Madam Speaker, I am proud to be part of a government that does not balk at taking drastic measures where needed. This government is not concerned with its popularity when the welfare and future of Canadians are involved. We therefore will keep on acting in the best interests of all.

[*English*]

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I listened with interest to my hon. colleague's response to the federal budget and heard her itemize several components of the budget that we have been held in criticism of over recent days. I cannot help but think, given the limited amount of time a member has in the House of Commons to comment on a particular matter, that there are certain components of her speech which should be emphasized and perhaps highlighted.

I take this opportunity to express to her my concern and also my appreciation for the time and effort she has spent on this speech. I wish she would take this opportunity to comment perhaps from *la belle province* on a couple of points of her speech that would be of great interest to Canadians generally who are having Quebec presented to them in a misunderstood way.

I particularly make note of her comment with respect to the fact that this government to which we both belong has fielded a budget this year showing that in effect we have a program surplus. However, we are harnessed with this cancerous debt we have inherited that stifles our very sovereignty and we cannot act as Canadians should.

Therefore, I would like to ask her to comment some more on the good government that has resulted in us giving this operating surplus to the citizens of Canada. If the hon. member has any other highlights that she may have overlooked with respect to how this budget affected Quebec, I think it would be in Canada's good interest to know.

[*Translation*]

Mrs. Jacques: Madam Speaker, I thank my colleague from Regina—Wascana for his remarks and also for his question.

I would like to tell him that, as was said a few moments ago, this budget is indeed a good thing for all Canadians. Obviously we have to take drastic measures in order to help Canadians reduce the deficit, all that because the

Liberals wasted money in the past and left us with a debt that affects our country today.

The budget is also good for our economy in that foreign investors will come to Canada and create jobs for our youth. We know that, if we reduce the deficit, young Canadians will not come into this world with that huge debt hanging over their head, as my colleague from Montmorency—Orléans pointed out. I think that is an important measure to ensure a strong economic future for Canada.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I wonder if the hon. member would comment positively or negatively and give her true feelings with regard to the cuts to women's programs in the budget. Is she in favour of that?

[*Translation*]

Mrs. Jacques: Madam Speaker, I thank my honourable colleague. I cannot tell you whether I agree or not with those cuts in women's programs. But there is one thing I can tell my Liberal colleague. It is because of your wasteful ways that we have to make those cuts.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Does the hon. member still agree with the statement the Minister of Finance made back in August 1984 when he stood up in Toronto and said that as a government the Tories in Canada would never cut the deficit by increasing taxes, that the only way they would go about cutting the deficit would be by cutting government programs? Would the hon. member comment on the authenticity of that remark in today's atmosphere.

[*Translation*]

Mrs. Jacques: Madam Speaker, I thank my collegue for his comment and question.

I simply want to tell him that we have not raised taxes in any way in this budget. We have taken means to cut federal government spending in an effort to reduce the deficit.

Again, my dear collegue, we had no choice in view of the legacy you had left us.

[*English*]

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Madam Speaker, I would first like to thank the hon. member for Jonquière for relinquishing his spot in order for me to correct the record on some of the erroneous comments made with regard to measures in the budget affecting veterans.

Certainly I am pleased to enter this debate, because it gives me the opportunity to answer the critics who for purely partisan reasons are trying to create unfounded fear among Canada's veterans. That is simply unfair for them.

• (1710)

Nothing could be further from the truth. This government has always been extremely generous to veterans. These are not just fine words. They are borne out by the facts and by the figures which speak for themselves. Expenditures directly to and on behalf of the veterans of Canada have risen from approximately $1.2 billion in 1984, when we came to power, to over $1.5 billion this year. We have made a great number of improvements in veterans' programs, passed enlightened legislation and new benefits, and we are going to continue to do so.

These include a much more responsive pension system, increased compensation to former prisoners of war, benefits for veterans' widows and their families, and the opening up of a very popular program, VIP or Veterans Independence Program, for veterans who served only in Canada.

This government has great respect for our veterans and has been putting that respect into practice every year since we took power in 1984. This year we will be operating with another record budget. Some cut, Madam Speaker!

From that background, let us look at the budget changes which have been preoccupying my friends opposite.

First, I want to talk about the room and board charges, because I think that is an important issue. Let me immediately refute one cruel exaggeration of the effect of these changes which has been unfairly promoted by some. I have heard idle speculation about increases for veterans who lost legs in the war. That is utter rubbish. Nobody in an institution as a result of a war related

injury will pay a penny; not now, not on April 1, 1991, and not at any time.

Charges for those veterans who are in institutions because they require long-term care were first introduced in 1949, at a rate at that time of $120 a month. Today's equivalent of that $120, 41 years ago, would be $750 a month.

More than 70 per cent of all non-pensioned veterans are presently paying the $8 a day charge, but because of inconsistent regulations the other 30 per cent are paying nothing. Many veterans have objected to this unequal treatment. Why should 70 per cent of the veterans pay, and 30 per cent not pay? The changes were made after consultations with veterans groups who, incidentally, agreed to correct these inequities and this unfairness. On April 1, 1990, everyone will pay the $240 a month, $8 a day, for their board, for their lodging, for their recreation, for their laundry, and for nursing services. We think that that is a pretty good buy. Everyone will pay except veterans who are in institutions because of war related disabilities. I repeat, they are paying nothing now and they are not going to have to pay in the future.

We have also given notice that the rate will rise to $420 a month on April 1, 1991. That will be the lowest rate charged by any jurisdiction, any province in Canada, and that will work out to $14 a day. On the face of it, it may seem a lot to pay $14 a day for board, lodging, accommodation, nursing care, recreational care, laundry and all the other good things you get, but not if you realize that it has never been raised for six years. In fact, this $14 per day charge is only a small fraction of the $130 a day it really costs on average in Canada to operate a chronic care bed. That is right, that is what the cost is: $130 a day and our veterans are being charged now $8 a day. That is about $4,000 a month or almost $50,000 a year for us to keep a veteran in long-term care or a chronic care bed in Canada.

In addition, the Dominion President of the Royal Canadian Legion and the Chairman of the National Council of Veterans Associations of Canada have said that they find these levels of board and lodging charges fair and reasonable, reflecting as they do the lowest rate available anywhere in Canada.

Doug Fisher who is a veteran and also a veteran of this place—incidentally, he was a New Democratic Party member of Parliament in this place—wrote about the rates that my department charges, in a recent column in *The Toronto Sun*. He talked about the money he was left by a veteran who had spent some years in one of our contract beds. Doug Fisher, who writes for the Canadian Legion magazine and many veterans publications stated:

> The value of this veteran's estate, including liquid cash, had burgeoned in the institutionalized years because DVA levied such low charges. This resulted in a bonus for the deceased's heirs but it was certainly unfair to taxpaying citizens.

I want to underline that members can be certain that every veteran in our institutions now receives and always will receive adequate financial protection.

We want institutions to be a last resort and so do the veterans. They are much happier living in their own homes. But when there is no other alternative, we make certain that no veteran is financially worse off as a result of moving from his or her own home into an institution.

We have income protection features built into the regulations, and we will monitor these features to ensure that they provide adequate protection to the needy veteran who might be on war veterans' allowance.

This government has increased spending on health care for veterans by 136 per cent since 1984. This is something the veterans greatly appreciate and that the government is very proud of.

I want to talk about the Veterans Independence Program. When I hear our critics talk about cuts to VIP, I have to ask myself if they really know what they are talking about. VIP expenditures have increased by over 60 per cent in this year alone. They will more than double in another four years. It has been a soaring success under this government and will continue to do so. The Veterans Independence Program is working and it is keeping the veterans in their own homes for a longer time.

All that is happening is that heavy housekeeping, or what is otherwise known as spring cleaning, is being removed from the lengthy list of services still available to the veteran. However, where there is a legitimate health or safety requirement on the part of a particular client for the provision of a service presently found under heavy housekeeping, I want to assure this House, and indeed the veterans community, that Veterans Affairs

will ensure that service continues to be provided to the veteran in need.

Of course normal day to day, week to week house cleaning will go on. The lawns will be mowed, the snow will be shovelled, the ice will be cleared from the steps, the laundry will be done. The Veterans Independence Program will continue to go from strength to strength.

As Doug Fisher pointed out, we have extended the program. He stated:

> DVA has chosen to cut payments from the VIP program only for—annual house cleaning. Better than narrowing eligibility or capping client numbers.

That is exactly right.

This government's record on behalf of veterans can be found both in our increasing budgets and in the praise I receive across the country from veterans who think DVA, as they call it, is giving them their best ever service.

Veterans in other countries—I have talked to a lot of them, and I suggest the Opposition should talk to the others—are always saying that Canada has the best veterans' programs in the world. That is the way it is now, and that it is the way we are going to keep it.

It was repeated by Doug Fisher that we provide the best programs, the most enlightened legislation, the best benefit programs for veterans in the whole wide world, and we are going to improve on that as well.

• (1720)

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, let us leave no doubt about the minister's final statements. The veterans' programs in Canada are the best in the world, but the veterans' programs in Canada have always been the best in the world. The hon. member mentioned only now and in the future. I want to point out to him that it was Liberal governments in the history of this country that brought in the best veterans' legislation in the world for all Canadians, and to a large extent the veterans are benefiting from those to this day.

I want to ask the minister a very serious question. I know he has a very humanitarian feeling toward these things. I have discussed them with him many times. Is there any movement on the part of the government to extend the Veterans Independence Program to the spouses of veterans? As the minister knows, that is a big question in the minds of veterans. They worry about what is going to happen to their partners after they leave.

Is there any movement on that? Does the minister see any future move on the part of the government to extend that program to spouses of veterans?

Mr. Merrithew: Madam Speaker, I do want to comment and I will respond to the hon. member's question. Before I do, I just want to say that my predecessor, the Hon. George Hees, introduced many, many new programs that were not there when the Liberals were in power prior to 1984. I just want to mention that for the record.

This government improved disability pensions. We significantly increased prisoner of war allowances. We expanded the Veterans Independence Program to make Canada Service Only vets eligible. We reinstituted pensions for remarried spouses. We negotiated with the provinces for additional beds all across Canada, and health care benefits have increased 136 per cent since we came to power in 1984.

I know the hon. member is also very interested, coming from a military riding, with regard to the VIP going to spouses. That has been a concern of the Legion and other veterans' groups such as the National Council. It is a matter that I feel very strongly about. It is under consideration by the department now. Hopefully, we will have some news about that particular program in the future.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, at the beginning of his speech the minister was complaining about certain remarks. As far as I know, no member in this House, on any side, made the kinds of remarks he attributed to certain people, either inside or outside this House.

The second point I want to make to the hon. minister is that in my experience here for nearly 22 years, and from my reading of the activities of Parliament, the only department in the entire ministry of any government since the First World War that is non-political and non-partisan is the Department of Veterans Affairs. That is the only one. Every time an improvement has been made, opposition parties of all political stripes have applauded the government of the day. There is no argument about that.

In the case of the incomes test for veterans' board and lodging, for a single veteran the incomes test is $9,840 a year. That is $2,000 below the income which the government accepts as the poverty line. In the case of a married

veteran, the incomes test is $15,808 a year which is more than $4,000 a year below the poverty line.

I am not going to argue with the minister about the incomes test, whether or not we should even have one. However, would the minister agree that in terms of the incomes test it should be at least no less than and should probably be slightly more than what the poverty level is? Would he agree to that?

Mr. Merrithew: Madam Speaker, I know the hon. member is interested in veterans affairs. He has had a sincere interest for a very long time, and I thank him for his support when we needed that as well.

When these changes were made—and I am telling the House this and the veterans' groups—they were made after consultation based on the matter of inequities and injustices. The problem is, number one, 70 per cent were paying $8 a day, 30 per cent were not. That is patently unfair.

The other thing is we have 5,000 veterans in beds in institutions. We have 600,000 out there paying their taxes and trying to tough it out in society itself. They were concerned about the inequities of the charges as they were applied to the people who happen to be institutionalized, because some veterans were institutionalized solely because it was much cheaper to be in an institution than to be in their own home. We thought that was patently unfair, there was an inequity, an unfairness, and an injustice and we wanted to correct that.

We do, as the hon. member mentioned, protect the income of both single veterans who are in institutions, as well as people with spouses. We treat our veterans better than any other country in the world in that regard as well.

Mr. Benjamin: We know that. That's not what the argument is about.

The Acting Speaker (Mrs. Champagne): The time for questions and comments is over.

Mr. Benjamin: Madam Speaker, may I ask for unanimous consent to continue the question and answer period for at least another five minutes?

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): I hear that there is not unanimous consent.

Resuming debate, the hon. member for Renfrew—Nipissing—Pembroke).

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, like my colleague, the hon. member for Notre-Dame-de-Grâce, I want to say very clearly that the phoniest thing that is being said in this entire budget debate is that there are no increases in taxes.

Here we have a whole list of increases in taxes as a result of what this government has done to the provinces of Canada. Taxes are paid by the general public. If this government is not big enough to pay its own bills and it is going to pass them all over to the provinces, the provinces still have to get the money from John Q. Public. It is a poor way of managing the finances of this nation when you do not live up to your own obligations.

Government members are claiming that they are great financial managers. They feel that they are the only ones capable of managing finances in this country.

I want to point out that in March 1984 the national debt of this country stood at $160 billion. At the end of this fiscal year, March 31, 1990, the national debt will stand at $350 billion, which is an increase of $190 billion. Approximately 45 per cent of the national debt today is attributable to the previous government, 55 per cent of the national debt as it stands today is attributable to this government that claims to be great financial managers of this country. That is one thing that should be laid on the line for the government.

For example, in 1985–86 the government's deficit was $34.4 billion. In 1986–87 it added another $30.6 billion to the national debt. In 1987–88 it added another $28.1 billion to the national debt. In 1988–89 it added another $28.9 billion estimate to the national debt, and heaven knows what it will be in 1989–90 because the figures of the Minister of Finance are not accurate and have not been accurate in recent years. It could go as high as another $30.5 billion estimated. Those figures are garnered from the minister's own Department of Finance. This budget is in keeping with the recent Tory initiatives, its regressive taxation and its cumulative assault on the structure of social security in this country.

• (1730)

Unemployment insurance has been attacked. My hon. friend from Notre-Dame-de-Grâce, who has been very active in this area and who is a great defender of the average worker in this country, has spoken at considerable length on this. We know that the unemployment insurance program came into force in 1940 as a result of the Rowell-Sirois commission report of 1937. It was to be managed by the federal government. Eventually, the federal government contributed considerable sums of money to the UI program to help the unemployed across this nation.

Now, after several years of an understanding that the federal government is a partner and that the federal government must do its part to help the unemployed of this country, we have the federal government pulling out of the UI financial structure entirely. The government has become the managers only, but who is going to pay the differences? The employers, the small businesses across this country are going to have to make larger contributions to make up the difference. The employees are going to have to make bigger contributions to make up the difference.

The privatization of what has been a very successful mixed economy comes into play here because this government is selling off Crown corporations that have been built up over the years with taxpayers' money. Now, they are being sold when there is a complete industry in place. There is no risk in building up a market for the products. There is no risk in having to go out to hire special help because the employees are already in place, whether it be engineers, technicians, nurses, or whatever. They are all there in the structure. Even trade missions around the world have by these companies. Everything necessary for sales production is in place. The government is selling these off for private enterprise when they could be an asset to the taxpayers of this country in returning funds to the treasury of Canada.

We in this country still have a further alignment with the United States in order to make free trade easier. This government is aligning itself with U.S. policy. Anything that the United States wants it to do is fine, it is just a matter of how high the government will jump to please the United States.

This budget brings into the open this Tory government's multi-year plan to terminate the federal role in health and post-secondary education. The government is dumping the load on to provincial governments.

There is another thing that the government is dumping on to provincial governments, in an indirect way, by dumping a bigger load for post-secondary education and medicare. In my own province of Ontario, for example, Mr. Nixon, the provincial treasurer of Ontario had a surplus this year in the provincial budget. But what happens? After the Minister of Finance was finished with the Ontario budget, Ontario had a deficit this year of nearly $500 million. That was as a result of the irresponsible attitude of this federal government in dumping its debts over on to the province of Ontario.

There has always been a great deal of comment about highways in eastern Ontario, for example. I want to comment on the additional debt that this federal government has bestowed on Mr. Nixon, the provincial treasurer of Ontario and, indeed, on to the people of Ontario.

Transportation and highways in eastern Ontario have always been an issue. We had Conservatives in power in the province of Ontario for 42 years, from 1943 to 1985. I remember when I first came here, the Hon. Joe Green, who was then Minister of Agriculture, the then member for Renfrew South, got up in this House and he called Highway 17 the goat trail of eastern Ontario. That was about what it was.

In the last four and a half years when we have had a Liberal government in Queen's Park there have been all kinds of complaints and talk about road conditions in eastern Ontario. Everybody knows that these things cannot be built overnight. But the provincial government of Ontario has made a decision to four lane Highway 16 from Highway 401 into the National Capital Region. When that is completed in four or five year's time it will be the first time in history that the city of Ottawa, the national capital of this country, has ever had a four lane highway into it from southern Ontario and the Toronto, Windsor, Hamilton, and Kitchener areas.

We go on to take a look at this cut, this nearly $500 million that is being passed over to the province of Ontario. There have been further comments about the Ontario government not doing enough work in eastern Ontario in transportation. The Government of Ontario just recently made another multi-million dollar an-

nouncement to extend the four lane highway, the Queensway, beyond Arnprior up the valley.

My only comment on that is that I hope it operates better than the Queensway. I say that because it takes me as long to drive from Cobden, Ontario, to the end of the Queensway as it does to come from the end of the Queensway to Parliament Hill.

Here is another expenditure of over $400 million for Highway 416. It will be another $250 million for the first two phases up the Ottawa Valley, going north on Highway 17. All this was done in this very short period of time, in four and a half years. The other part of the highway will be upgraded.

I want to put this in perspective. The extension of Highway 17 up the Ottawa Valley that has just been announced is costing half the amount of the national debt that this government has unloaded on to the provincial government of Ontario. If it had that $500 million on its own that it is now going to have to levy additional taxes to make up for paying the federal debt, it could have extended the highway north. Or it could have taken the whole thing and had a surplus of $100 million left over after building four lanes of Highway 416 from Highway 401 into the national capital from southern Ontario.

Madam Speaker, I see you are giving me the signal here. I think it is time we started looking at these things in terms of what the bad management of this government is doing to the financial structure, both federally and provincially in this country.

[*Translation*]

Mr. Couture: Madam Speaker, I ask the hon. member of the Liberal Party to compare the two preceeding governments. Under one, from 1980 to 1984, current operating expenditures increased at an average rate of 14 per cent, and in 1984 the deficit was $39.3 billion; the other, from 1984 to 1988, achieved an average increase in expenditures of 3.6 per cent and managed to bring the deficit down from $39.3 billion to $28.1 billion. Through good management, in the new budget, we expect the increase in operating expenditures to be no more than 3.2 per cent.

I would like the hon. member to compare both governments and tell us which is the best.

[*English*]

Mr. Hopkins: Madam Speaker, if we want to talk about an administration that had some human values to it it was the one we had between 1980 and 1984, certainly not this one.

• (1740)

I appreciate the hon. member asking me that question. I think it is a very pertinent one. I would like to point out to the hon. member that we had a world recession in the early 1980s. This government opposite has had some of the best economic years in recent decades to bring in taxes and meet its debts, and it has not been able to do it with the best economy going. That is part of your bad financial management again.

With world recession and with markets falling apart around the world, for many nations in the early 1980s, there was a large number of people unemployed in this country. The Liberal government of the day did not turn its back on John Q. Public. It did not cut medicare. It did not cut post-secondary education and destroy the future of the youth of this country. It kept those up. It also looked after the unemployed in this country, as well as the senior citizens. There was no clawback. This was a human government.

Some hon. members: Hear, hear!

Mr. Hopkins: I am glad when members of this government get up and ask questions like that. I am really happy to lay it on the line. I was here. I know what the feeling was out there across the country. We travelled the country in those days. I will tell you, we did not have senior citizens lining up in front of the Peace Tower on Parliament Hill with elderly people telling the Prime Minister of that day that he had lied to the Canadian people, because he did not lie to the Canadian people. He looked after them. They know that. They remember that.

Some hon. members: Hear, hear!

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, this is a return to the same kind of logic that party used back in the days of the Trudeau government. There is no question about it.

If you look at the record, what did they burden us with? They burdened us with 20 per cent plus interest rates, and double digit inflation. They left us with a debt which, if any reasonable person examined the books with respect to, would see that it was $200 billion plus. It was a burden of debt that no country in the western world

could sustain. That is what they left us. That is the legacy of the Liberal party.

The members to my right do not want to listen to that. That is the absolute fact. They left us with a debt that was crippling. They do not want to address it.

What do they want to do? They want to turn back the clock to the same kinds of policies they used in the 1960s and 1970s. Those were the kinds of policies that put us in the position we are in today. We are going to make the tough decisions that have to be made to bring this country into line.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now terminated. Resuming debate with the hon. member for Nipissing.

Mr. Bob Wood (Nipissing): Madam Speaker, it gives me great pleasure to participate in this debate, briefly, for two minutes.

On February 20, I listened attentively to the Minister of Finance as he presented his sixth budget. I must say that I was disappointed with the latest episode of "as the debt turns". My first impulse was to move a motion to protect an endangered species, namely, middle income Canadians. It is an endangered species because this government seems to get a kick out of seeing how many Canadians it can put below the poverty line.

What is the plan the minister speaks of when he says that since 1984 this government has been following a consistent and comprehensive plan? We would like to know what the plan is.

This government has subjected Canadians to 32 separate tax increases since 1984. Personal income taxes have increased from $29 billion to $56 billion since 1984. The national debt has more than doubled from $170 billion to $350 billion since 1984. The manufacturers' sales tax, the so-called silent killer of jobs, has been increased four times from 9 per cent to 13.5 per cent since 1984.

Corporate taxes have decreased from 13.2 per cent to 10.4 per cent, as a proportion of a total tax revenue, despite the fact that we have experienced five consecutive years of economic growth.

Also, in northern Ontario this measure will widen the regional disparity in this country because of the cutbacks in the regional development programs. This is going to have a tremendous effect on northern Ontario, especially at a time when these regions need them most. As mines close in northern Ontario and fisheries shut down on the east coast and the prairie farmers suffer, this is not the time to be cutting back on the programs of regional development.

The Acting Speaker (Mrs. Champagne): I am sorry. I must interrupt the hon. member.

[*Translation*]

It being 5.45 p.m., it is my duty, pursuant to Standing Order 84(6), to interrupt the proceedings and put forthwith every question necessary to dispose of the main motion now before the House.

[*English*]

The question is on the motion of the Minister of Finance. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen.

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 197*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Brightwell
Cadieux	Campbell (Vancouver Centre)
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Cole	Collins
Cook	Cooper
Corbett	Côté
Couture	Crosby (Halifax West)
Danis	Darling
DeBlois	de Cotret

Della Noce
Domm
Duplessis
Epp
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hicks
Hogue
Hudon
Jacques
Johnson
Koury
Langlois
Lewis
MacDonald (Rosedale)
MacKay
Marin
Mazankowski
McKnight
Moore
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vien
Weiner
Wilbee
Assiniboia)
Desjardins
Dorin
Edwards
Fee
Fontaine
Gibeau
Guilbault
Hawkes
Hockin
Horning
Hughes
James
Kempling
Landry
Larrivée
Lopez
MacDougall (Timiskaming)
Malone
Mayer
McDougall (St. Paul's)
Merrithew
Oberle
Plamondon
Porter
Redway
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Venne
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—116

NAYS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Blackburn (Brant)
Brewin
Callbeck
Duhamel
Ferguson
Fisher
Fulton
Gauthier
Harb
Harvey (Edmonton East)
Jordan
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
Manley
Murphy
Pagtakhan
Peterson
Robichaud
Rodriguez
Skelly (Comox—Alberni)
Taylor
Wood—53
Althouse
Arseneault
Bellemare
Berger
Blondin
Caccia
Campbell (South West Nova)
Edmonston
Finestone
Flis
Gaffney
Gray (Windsor West)
Harvard
Hopkins
Kaplan
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
MacDonald (Dartmouth)
Milliken
Nystrom
Parker
Prud'homme
Robinson
Rompkey
Speller
Walker

Mr. Speaker: I declare the motion carried.

It being 6.13 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to to Standing Order 24(1).

The House adjourned at 6.13 p.m.

HOUSE OF COMMONS

Friday, March 9, 1990

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

GOODS AND SERVICES TAX—SPEAKER'S RULING

Mr. Speaker: On Tuesday, February 6, 1990, the hon. member for Kamloops raised a question of privilege claiming that the Department of Finance had acted in contempt of the House in its recent publication and distribution of a brochure on the goods and services tax.

In presenting his argument the hon. member recalled the situation that arose last fall when the former Leader of the Opposition raised a question of privilege challenging the right of the finance department to advertise information about the proposed goods and services tax, without due regard to the role of Parliament in approving such a tax. He maintained that this new case was similar because, in his words, "the Department of Finance was employing a communications strategy in advance of a House of Commons decision". Such a campaign, he argued, could only be prejudicial to the work of the committee which, as he put it, is charged with amending the GST bill.

[*Translation*]

For his part, the Government House Leader pointed out that the brochure prepared by the Department of Finance did not assume that the GST proposal had already become law. The minister assured the House that all advertisements and information material prepared by the department since the ruling of October 10 have heeded the Chair's warning about due regard for the role of Parliament.

[*English*]

The October ruling, as hon. members will recall, found the advertisements of late August on the GST to be cavalier and almost bold in tone. In particular, the offending passage declared that "on January 1, 1991 the federal sales tax system will change". Furthermore, readers were requested to save the advertisement, since it served as a notice of the new tax system. The Chair found that these advertisements had been ill-conceived but that they fell short of offending the strict definition of contempt.

[*Translation*]

The hon. member from Kamloops claims that the recently printed brochure offends the dignity of Parliament in a similar fashion and that the action of the Department of Finance amounts to a contempt of the House.

[*English*]

I have had an opportunity to examine the brochure. On page 1, the very first sentence of the text reads: "Legislation to implement the goods and services tax (GST) is currently before Parliament". The text goes on to state that on January 1, 1991 the government proposes to eliminate the existing federal sales tax, FST, and replace it with the GST.

Such language is quite different in tone and substance from the advertisements of last August, and in the opinion of the Chair in no sense vitiates the debate on the GST in this House or in committee.

How the government seeks to promote its policies may well be a matter of concern to hon. members and to the Canadian electorate. At the same time, it cannot be denied that the government has a right to communicate with the public about its policies and programs. Indeed the government has a responsibility to inform Canadians about what it is seeking to do, particularly on issues of great complexity or controversy.

• (1010)

The role of the Chair is not to judge the nature of or the necessity for such communication. The Chair is strictly limited to examining cases where the role or dignity of Parliament may be diminished and to take whatever action is necessary to keep that from happening.

In the case before us the Chair finds that the role of Parliament has been duly acknowledged, and that there is no affront to the dignity of the House.

I thank hon. members for their contribution to this particular matter.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House proceeded to consideration of Bill C–5, an act to amend the Railway Act, as reported (without amendment) from a legislative committee.

Hon. Bill McKnight (for the Minister of Transport) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. McKnight (for the Minister of Transport) moved that the bill be read the third time and passed.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this bill was last debated on Friday morning, January 26, when there were not many more people in the House than there are here this morning. Nonetheless, there are many of the same faces who are vitally interested in this piece of legislation.

I just want to take a few moments to thank the legislative committee for its work under the able chairmanship of the hon. member for Peterborough and the other members who sat on the committee, and also to read into the record the names of communities that wrote in an submission.

The county of Camrose, the village of Donalda, the village of Edberg, the village of Big Valley and the county of Stettler will ring a bell in your heart, Mr. Speaker. I can see a smile on your face already as you recognize them. I have never been to any of those places, but knowing the size of them it reminds me of where I was born and raised back on the prairies myself.

What we have before us today in third reading is a piece of legislation that amends two sections of the National Transportation Act. That act was passed in 1987. We are aware of a single company on which it has an effect, that is the Central Western Railway. For this reason we want to pass it today and send it on to the other place so that it will be brought into conformity with the National Transportation Act.

I am sure my hon. friends opposite will have comments to make on this piece of legislation.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I too want speak for a few moments on Bill C–5.

The parliamentary secretary is correct. We had a good, constructive session of the legislative committee on this bill. The work of the committee was undertaken in a responsible fashion.

Canadians should understand that Bill C–5 applies to one short line railway company in Canada, the Central Western Railway company. It applies to no other railway company. More to the point, in future this bill will have no implication for any other railway company in Canada.

The Central Western Railway, located in Alberta, is the only railway company which through the luck of the draw is not part of the new provisions contained in the National Transportation Act provisions for short line railways. That is because the Central Western Railway came into being before the NTA was passed. Henceforth, all short line railways will be treated in an identical fashion. Because of the luck of the draw and getting out of the gate early, previous to 1987, those regulations for short line railways do not apply, that is the jurisdiction does not apply to the Central Western Railway.

All this bill attempts to do is to treat this company in exactly the same fashion as every other short line railway in Canada. We could have a debate in the House about the evolution of short line railways. We could have a philosophical discussion in the House about whether or not the evolution of short line railways is a good or bad thing, but that is another question. Given that we have a set of regulations that apply to all other short line railways, should one company be treated differently? I think it is the conclusion of sensible members of the

House that the answer is no, it ought not to be treated differently.

For the record, because I do not believe in pretending there was no objection, there was an objection to this bill, a fairly strenuous objection to this bill. It was made by the executive secretary of the Canadian Railway Labour Association, Mr. Ed Abbott. He indicated the association was in the middle of a discussion regarding jurisdiction by the union for that railway. Mr. Abbott has done exactly as any union representative should do. He has looked initially at the position of the employees of the railway and their rights. He has been determined to ensure that their rights are maintained and their jobs preserved. That is the job that any union should do, and that was the initial focus point for Mr. Abbott's interjection with respect to Bill C–5.

Members can say, notwithstanding the valid objection by Mr. Abbott, that we are satisfied. We have heard firsthand from a representative of all of the employees that the employees in question support Bill C–5. The workers believe, and say so unanimously, that they now have a very constructive working relationship with the Central Western Railway. They believe the unique and small nature of this company with such a small number of employees is conducive to a positive working environment. More important, for Canadians generally, the safety record and standards of this company are indeed good and have been maintained.

It is worth pointing out to Canadians who are wondering about the evolution of short line railways that at least in the case of this railway, without prejudging what may happen in the future, this company has pumped a very substantial amount of its revenues in the few years it has been in operation into upgrading the line. It bought the line from one of the two giants of Canada and it has spent millions upgrading that line in a short period of time. In fact, as much as 35 per cent or 40 per cent of the revenues of the company have been immediately pumped back into ensuring safety and improving safety. That backdrop is important.

• (1020)

Members of the committee have heard from the employees. I might add that the employees were unanimous in wanting this bill passed. It is in their interest, in the interest of the company, and in the interest of the region the company serves, the short line route. We have also heard from the village of Donalda, from the village of Big Valley, from the county of Camrose, and from many other communities and farmers served, and happily so, by this short line railway. They would like to see Bill C–5 passed to allow this railway to continue its work, to clarify the question of disputed jurisdiction quickly, and to allow it to grow and build.

It is worth pointing out and acknowledging as well that we initially had some union representation, and we understand that representation. Not only are the employees satisfied, not only are the communities affected satisfied with the operation of this railway, but I received a copy of a letter from Mr. Gordon Wright, member of the Legislative Assembly of Alberta—and I am not used to promoting New Democratic members of legislative assemblies—who is as aware as I am and who has written an excellent letter.

Like many of us, he well understands the prerogative of the union to represent its employees. Like many of us, he is sensitive to the right of the unions to intervene in these types of circumstances. Also, like many of us, he has judged this case on its merits. He has read no more into Bill C–5 than there is and no less, and he has come to a conclusion. We can understand the sensitive position he is in as a member of the New Democratic Party that in fact the swift passage of Bill C–5 is an appropriate act for Parliament to undertake. I will not quote from the letter.

We in this party support Bill C–5. We want to take an opportunity to pay tribute to Mr. Tom Payne, President of the Central Western Railway who is truly an example for all of those doubting Thomases across Canada that Parliament can work from time to time. Mr. Payne has single-handedly come to Ottawa, single-handedly made his case to all three caucuses, all three parties, without the help of high priced lobbyists, without the help of high priced lawyers, without the help of political opportunists. He has appealed to the inherent—occasionally it is there—common sense of members of Parliament. His

odyssey here in Ottawa and hopefully the passage of this bill today is a tribute to the common sense of Parliament and a tribute to the inherent belief that a single Canadian can from time to time move mountains and make this place work in a sensible fashion.

We will be supporting Bill C-5. We encourage all members to do so, and we hope it will be swiftly passed by the Senate.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, when Bill C-5 was read for the second time in this House on January 26, I stated that this legislation had more far-reaching consequences than the government wanted us to believe.

While it is true that the Canadian Western Railway Corporation provides what is described as a good service to many farmers in Alberta, and while it also true that this service is essential to farmers of this region, what I tried to point out to this House before is that Bill C-5 has more far-reaching implications than to allow this small railroad company to avoid entanglement with many levels of legislation which is according to its owner threatening its survival.

In committee, the owner of the Canadian Western Railway and labour representatives testified, which reinforced my opinion that Bill C-5 should not be passed and that if it were not passed it would not result in any injury to the farmers of that region who need this branch line to get their grain shipped to the coast.

Before I again explain to this House why I oppose this bill, I would like to point out a few things that will hopefully show farmers in that region of Alberta how the passage of Bill C-5 should not—and I stress that point—affect service to them.

Without Bill C-5, the CWR received a $1.7 million grant to commence the operation of this branch line. According to the owner of this company, the money was paid to CN as a down payment. Some of it bought equipment, some of it paid pre-start up operation costs. That is a pretty substantial sum of money to help a company get started. Without Bill C-5, CWR has managed to cuts the costs of operating the railway line and that made it cheaper to haul the grain.

When testifying before the legislative committee studying this bill, the owner of the railway in question stated:

> This line was a high cost line. In the hearings, it was shown to be one of the higher cost lines on the Canadian prairies, operating at a cost in excess of 44 cents per tonne per mile for the grain carried. All costs into the system have progressively lowered themselves from the first year of operation; we are now costing the system approximately 22 cents per tonne per mile.

That does not strike me as a company being in an impossible situation. It seems to be doing very well. Why Bill C-5, then?

The lines and tracks used by CWR were constructed between 1909 and 1911 by the Canadian Northern Railway. Shortly thereafter, the Canadian Northern Railway, like many of the regional railways built during the railway boom of the late 1800s and early 1900s, found itself in financial difficulty and by the year 1919 the Government of Canada acquired ownership and control of the Canadian Northern Railway company.

The portion of the line under consideration in Bill C-5 was the former Canadian National Railway's Stettler subdivision. Its primary function then—and it is the same now—is to transport grain from the elevators along the line to CN's main track for delivery to the ports in Vancouver. This line has been designated as an integral part of the basic railway network and became protected against abandonment until the year 2000.

It is to be argued then that the Central Western Railway remains connected with other provinces and continues by its main function to be advantageous to Canada.

There is much more at stake than allowing a small company to fall retroactively under the National Transportation Act proviso for short line railways. Again, we must wonder about the intent of Bill C-5. Because of the far-reaching implications I have mentioned, and the need to protect this railroad line, I would argue that in effect the passage of Bill C-5 would be to the disadvantage of grain farmers rather than to their advantage.

The federal government has been generous toward the CWR in the past, but without federal involvement can we assure the grain farmers that the railway will be able to continue to operate? It seems to me that these days this government is more inclined to cut grants rather than to give them. When the government is reduced to slashing funds to such groups as veterans, women and

natives, as well as transfers to the provinces, how can grain farmers be assured that this railway company will be able to continue on its own?

I would like to go back to the question of why Bill C-5. It has been argued, as I pointed out before, that if the Canadian Western Railway had come into existence 39 days after it did, that being the time that the new National Transportation Act came into play, it would not the face legal entanglements that it faces today. That is not exactly true.

The jurisdictional problem would still have been raised, as it has been by the railway unions representing the employees on the Canadian National Railway, for successor rights pursuant to Section 144 of the Canada Labour Code.

Furthermore, if Bill C-5 were to pass, federal jurisdiction over Central Western could be upheld on the basis of Section 92 (10) (c) of the Constitution Act, 1867.

The Canada Labour Relations Board has held that the Central Western Railway fell under federal jurisdiction. That decision was upheld by the Federal Court of Appeal. The company appealed this decision. The appeal to the Supreme Court of Canada is scheduled to be heard on March 19, 1990.

• (1030)

The government has been quite efficient this time in trying to get this legislation through the House. It could be argued that such zealousness might prejudice the court case should the bill become law before the Supreme Court has been able to hear the case. I hope that this is not the intent of the government in trying to pass this legislation as quickly as possible.

I raised the question of safety as well during the last debate. I would like to raise it again.

We were assured that employees of the Central Western Railway hold an "A" card under the uniform code of operating rules and that their examination had been filed with both provincial and federal authorities. I pointed out before, and I would like to point out again, that should Bill C-5 tip the scale and should ultimately CWR be declared outside federal jurisdiction, there would be no guarantees that this railway would continue to be governed by the federal safety standards once the railway is declared to be wholly provincial.

I put to you the concerns of unions in that matter. Their questions were these. Would the employees be protected from having to work in unsafe conditions due to long hours of duty? Would they be covered by the mandatory rest order? If the Canada Labour Relations Board decision is upheld, the unions argue that Central Western Railway employees would be protected by the rest provisions of the agreements that were in place on the Canadian National Railway prior to the purchase of the Stettler subdivision. These agreements give employees the right to book rest after 10 or 11 hours of duty.

It was pointed out in the submission of the United Transportation Union to the legislative committee that there is a distinct difference between a contractual right and the whim of an employer to force an employee to work long hours. It was pointed out as well, and here I quote verbatim, what was submitted by the UTU:

> These contract rules and government regulations not only protect the employees but also serve to protect the public along the right of way and we believe that not only the Central Western but any other short line railway should be required to comply with these standards.

In closing, I would simply urge this House to consider the few points I have mentioned in my speech but that I would like to highlight once more.

The Canadian Western Railway seems to be a profitable business venture and its financial health does not seem to be in jeopardy as we speak.

There is a matter of an appeal still to be heard before the Supreme Court at a later date and this House should let this judicial body arrive at its decision without any possible, even if unintentional, interference from this House.

The safety of workers might eventually be at stake if safety measures are not clearly established and controlled.

Finally, grain farmers who depend on this line for movement of their crops must be secure in the knowledge that they would not be at the mercy of a small, although right now financially healthy, business venture.

There is more at stake than the dream of a small businessman. There is the future of workers and farmers to consider.

I encourage this House to stand with me and oppose this bill. I have no intention of supporting it.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

* * *

INTEGRATED CIRCUIT TOPOGRAPHY ACT

MEASURE TO ENACT

Hon. Bill McKnight (for the Minister of Consumer and Corporate Affairs) moved that Bill C–57, an act to provide for the protection of integrated circuit topographies and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it gives me great pleasure to rise in my place today to begin second reading of Bill C–57, the integrated circuits topography act.

Integrated circuits as perhaps some members know, and probably most do not know, are really the building blocks for tomorrow's technology. These are little microchips that are used in everything from washing machines, video cassette recorders to military hardware and the space arm. Integrated circuits are the heart of modern information, communications, computing, entertainment, manufacturing, medicine, space exploration and research technology.

Although ICs, as they are called, represent only 5 per cent to 10 per cent of the value of many end–use electronic systems at the point of market entry, they really determine 90 per cent of the function and performance of such systems.

Canada's industrial competitiveness is closely tied to our ability to tap into integrated circuit technology, and our businesses have been quick to take advantage of the speed, efficiency and compactness that ICs provide.

The most recent figures indicate that Canada's consumption of ICs embodied in finished products amounts to more than $1 billion. Our consumption of individual circuit pieces such as silicon chips is over $600 million.

Although Canada is a heavy user of integrated circuits we are not yet a major producer. Our production of ICs in 1989 is estimated at some $300 million. Of that figure only $80 million worth is for market sale. The remaining $220 million is used by companies for their own in–house needs.

As an industrial nation, we rely upon the rapid development and diffusion around the world of integrated circuits. We turn to foreign suppliers, such as Japan, which produces some 46 per cent of the world market, or the United States which supplies some 44 per cent.

But businesses in Canada have carved out a small but lucrative share of the international market. There are some 25 companies in this country engaged in the design or design and manufacturer of ICs. These companies range from the giants of the industry such as Northern Telecom and Mitel to small scale designers and fabricators.

Although the Canadian industry supplies less than 1 per cent of the world demand for ICs, our companies are developing world–wide reputations for their ability to fulfil specialized niches.

Some Canadian firms have become international leaders in designing and fabricating ICs used in the telecommunications industry, a sector in which Canada's technological achievements are second to none.

In 1988, Canada exported $750 million worth of telecommunications equipment, 55 per cent of which went to the United States.

Other niches include the ICs used in hearing aids and amplifiers. Linear Technologies Inc. of Burlington, Ontario is estimated to have captured about 45 per cent of the world market.

LSI Logic Corporation, whose head office is in Calgary, has carved out a market niche by maintaining very close contact with its customers and being able to provide them with prototypes of new chip sets or with application–specific integrated circuits in as little as one week.

The strength of the Canadian integrated circuit industry lies in the entrepreneurial spirit of our businesses. Canadian companies have proven themselves able to deliver world-class design services and innovative quality products.

What the industry requires is intellectual property protection that will both encourage and protect innovation. The legislation we have before us today protects our designers from unauthorized copies being made of their products.

At the same time that the law provides a high level of protection for our designers and manufacturers, it does not impose a regulatory burden on the industry or upon the government. The intellectual property rights under this bill will be self-enforced. Designers or manufacturers who believe that their rights have been infringed can apply to the courts to recover damages.

The legislation will bring Canada in line with the protection that is being attached to integrated circuit topographies in the countries with which we trade. It will both serve the interests of Canadian designers at home, and ensure that their topography is protected within the jurisdiction of our trading partners.

• (1040)

Our major trading partner in integrated circuits at the moment is the United States which supplied approximately 83 per cent of Canada's imports in 1987, and was the destination of 89 per cent of our IC exports.

The United States passed the Semiconductor Chip Protection Act in 1984. This act grants Canada interim protection but the legislation is drafted in such a way that Canadian designs will only be protected on a permanent basis in the U.S. if we prepare and pass similar legislation in order to protect circuit topography in our country.

Clearly, it is within Canada's interest to provide protection here, and to ensure that our IC topographies are protected abroad. None of the existing intellectual property statutes, including the Industrial Design Act, the Patent Act and the Copyright Act provide the protection and flexibility required.

This government's decision to enact specific and specialized legislation to grant intellectual property protection is in keeping with current international trends in intellectual property rights.

A clear international consensus has emerged to treat intellectual property in chip topography as a *sui generis*, regime outside the framework of traditional intellectual property legislation, such as copyright or patents.

As well as putting Canada on an equal regulatory footing with other countries, providing protection for topography will help to attract domestic research, production and marketing of IC products. It will also make Canada a more inviting place for international designers and manufacturers to invest.

Under the FTA Japanese and other IC manufacturers may wish to establish operations here in Canada. The creation of an integrated circuit is a major industrial project requiring the investment of millions of dollars. That kind of investment is less likely without a law to protect against the manufacturing and marketing of unauthorized copies.

The legislation before us provides adequate protection for our manufacturers and ensures potential investors as well as our trading partners that Canada is a safe place to develop IC technology. In preparing the legislation the government has benefited from an extensive series of consultations.

Price Waterhouse submitted a study of the Canadian integrated circuit industry in April 1986. One year later, Consumer and Corporate Affairs Canada, along with the Department of Communications released a study paper for the interested and expert public outlining the scope of the proposed legislation and asking for advice and comment on a number of recommendations.

In consulting widely with those working in the IC field, the government has recognized that technology moves rapidly and that expert advice from those in the know is essential if we are to provide legislation flexible enough to keep abreast of this rapidly changing area.

I would like to take this opportunity on behalf of the minister and the department to thank all of those who participated in these consultations. They have helped us

draft legislation that is an innovative and timely response to rapidly unfolding developments in information technology, international trade and intellectual property.

In order to be protected under the integrated circuits topography act, a topography must be original. Its design must be the result of an intellectual effort and not the mere reproduction of another topography or a substantial part thereof. Topographies that are commonplace among designers or manufacturers of integrated circuits are not protected by the act.

Subject to specific exceptions, the integrated circuits topography act gives the rights owner of an original topography control over the following: first, the unauthorized copying of a protected topography or any substantial part of it; second, the unauthorized manufacturing of an IC product incorporating the topography or a substantial part of it; third, the importation or commercial exploitation of a topography or a substantial part of it or of an IC product made without the consent of the IC owner; and, fourth, the importation or commercial exploitation of an industrial article which incorporates an IC product that embodies a protected topography.

I am sure that it is crystal clear to everybody. When they read *Hansard*, maybe it will become even more clear.

In short, the legislation enables the designers and manufacturers of an IC topography to control unauthorized reproduction, distribution and importation of infringing technologies.

The legislation provides for the full range of civil remedies, including injunctions, damages and exemplary damages.

The doctrines of first sale and exhaustion of rights apply to IC products manufactured anywhere in the world and put on the market with the authorization of the rights owner. After the first lawful sale, the topography owner has no statutory right to control its lawful use, rental, resale or redistribution. This will permit parallel imports of technology, and will facilitate diffusion of the design.

In order to design business with the secrecy it requires to protect the expensive investments needed to research and develop their topographies, the disclosure requirements for compulsory registration have been kept flexible.

Authority is given to the Governor in Council to adopt flexible deposit requirements so that the applicant may refrain from disclosing information protected by trade secret and other confidential information.

Under the act, an original topography can be protected for as long as 10 years. Applicants are given a two year grace period following first commercial use of the circuit before registering the topography.

The protection commences at registration. However, if the applicant has taken advantage of the grace period, either for the full two years or less, then the 10 year term of protection is computed as beginning following the first commercial exploitation anywhere in the world either of a chip that embodies the protected topography, or of an industrial article incorporating a chip that embodies the protected topography.

Mr. Speaker, this will be very clear when you read it carefully in *Hansard*.

Consistent with usual industry practices, marking of IC products will be required only to allow identification of the product so users can determine whether in fact it is registered. These features of the legislation reduce the regulatory burden of the legislation while providing full protection to designers and manufacturers.

The three exemptions to the statutory rights provided by the act go further to create an environment in which the transfer of integrated circuit technology can proceed without impediment.

The first exemption applies to the unauthorized copying of a protective topography for purposes of teaching and research.

The second exemption allows a protected topography to be copied as a first step in a process of analysis and redesign. It also allows topographies created by this process to be exploited if they themselves are original.

This exemption encourages competition and innovation by allowing reverse engineering. This is a process in which a product is taken apart and then reproduced in order to discover information about it. Then another topography is created based upon the original design, but with sufficient modifications to meet the originality requirements of the act. Reverse engineering is a vital feature of the growth and development of the Canadian

and the world IC industry and helps in the free market in semiconductor chips and the spread of chip technology.

The third exemption allows anyone to reproduce a topography, or manufacture or import an integrated circuit for either a private or a non-commercial purpose.

A defence in an infringement action is also given to innocent infringers who were unaware and had no means to find out that an IC product had been manufactured without authority.

This bill will provide the protection and the flexibility the Canadian IC industry needs. It will keep us in line with our trading partners and provide an environment for investor confidence.

I would like to remind the House that providing intellectual property protection for our industries is but one element in the government's industrial strategy designed to keep Canada on the leading edge of international competitiveness.

At the same time that we are protecting our innovators, we are taking steps to make sure that their products move quickly from the lab bench to the shop floor. In the past months, the government has introduced several major programs to ensure that Canada's industrial future is a high-tech future.

The designers and fabricators of ICs will benefit from the Strategic Technologies Program which promotes networks and alliances, particularly in the areas of pre-competitive development of technology and its diffusion to Canadian industry.

• (1050)

Information technology, of which circuit topography is a vital component, has been identified as one of the three strategic technologies targeted by the program. The others are biotechnology and advanced industrial materials including silicon and ceramics which are of interest to the integrated circuit industry.

As well, the integrated circuit industry in Canada will benefit as a result of the national Network of Centres of Excellence program that is a key component of the government's InnovAction strategy.

Through the Network of Centres of Excellence program, a consortium of 12 researchers from nine Canadian universities will receive $14 million to research and develop micro-electronic devices, circuits and systems for Ultra-Large Scale Integration. These researchers will respond to the technological challenge of squeezing more than 10 million functioning electronic components onto a microchip layer smaller than a fingernail and thinner than soap film. The technology is expected to become the mainstay of the next generation of telecommunications and computer systems.

The Canadian integrated circuit industry has room to grow and to pioneer new innovations. It has proven to be a leader in telecommunications, in finding new ways to serve the specific needs of customers, and in seizing international market niches.

Canadian firms are moving ahead in such areas as analog ICs for speech and handwriting recognition, machine vision, robotics and industrial process control. They are contributing to the progressive miniaturization of IC technology.

The legislation before us gives the integrated circuit industry in this country an essential tool to remain competitive, to attract investment, and to ensure that our products are protected in the markets of our trading partners.

It is legislation that responds to the needs of the industry for adequate protection. It gives them the tools to protect their interests and investments without undue regulation or without the restrictions that would hamper technology transfer.

I hope that the members of this House will join me in supporting a bill that is important to our future as a high-tech nation. The future holds tremendous promise and potential. Our integrated circuit industry is ready to seize that promise and fulfil that potential.

Mr. Speaker, I would like to put what this statute does into layperson's words. So that people know what these little microchips are like, they are layer upon layer of circuits with silicon covering. It is a bit like designing a high-rise tower. The officials, when they explained it to me, gave the analogy of a high-rise office tower. Somebody has to design where the pipes go through, the

water, and all of these systems. That is what these bright people do in this integrated circuit topography.

But without having any patent protection they tend to move off to other countries to do that where there is already patent protection for them. What this bill does is to give to the 25 companies that are spread out across this country, in many of the ridings of hon. members in all three parties, patent protection so they will make the investments here and build these microchips here so we can play a part in that world industry. It is the industry of the future and the words of which I do not even understand. However, I understand the concepts. It is real, and I guess we have to get into it.

Certainly, young people understand it. I know that when my son and daughter they sit down at their computers seem to understand this stuff instinctively. Frankly, think I would rather hire somebody else to do it for me.

Mr. John Manley (Ottawa South): Mr. Speaker, one never knows in the practice of federal politics in Canada what one may be doing on a given day. I must say that to be before the House today to speak about integrated circuit topographies is a very pleasant surprise for me.

I am happy to say that we are able to support Bill C-57, which gives protection to integrated microcircuit topography. I am also happy to say that perhaps because I am younger than the previous speaker I do happen to understand what it is, largely because of my previous occupation when I had the task of acting as lawyer on behalf of some of the companies in the national capital region which engage in the design and production of integrated microcircuits. I am aware that this is a very important aspect of our high technology industry.

We are supporting this bill, but I think the presentation of it in the House today gives us an opportunity to think about a few other things which are related, not just to the microcircuit technology itself, but to Canada's role in the globally competitive world. What we face at this time is a challenge to our ability to increase our standard of living, to maintain our standard of living and the kinds of advantages that Canadians have come to enjoy. That challenge arises not so much from within as from the world outside our borders.

It is true that Canada has achieved very high levels of growth of economy in relation to other OECD countries. What Canada has failed to do in comparison with many of our competitors is to increase our rate of productivity.

In Canada we lag behind our major trading competitors in growth in productivity. This reflects the fact that for many years now in Canada we have failed to invest to the extent that we need to do so in education, research and development, and science-based innovation.

While we welcome a bill like Bill C-57, which is going to give protection to some of the high-tech companies both in the national capital region, of which I am proud, and in other parts of Canada—we need it and support it—it is too little, too late.

What we need in Canada is a government that has a vision for science and technology, a government that has some clue where it wants to go in the world.

Why can we not set as a challenge for Canadian industry to be the best in the world in environmental technologies by the year 2000? Why are we not setting up within the Government of Canada a plan of action to move us forward in the new technologies?

Why is it at a time when we are suffering from shortages in the high technology areas of skilled and qualified people we are cutting back transfer payments for post-secondary education? Why is it that we are going out to compete in the world with an arm tied behind our back?

The reason is that there has been a lack of vision and willingness to act. Bill C-57 is great and we support it. What we need is more bills like it and more initiatives to show the way to the future for Canadian industry and Canadian technology.

It is with a great deal of scepticism that we hear that the Prime Minister of Canada is receiving an award for his contribution to research and development.

Some hon. members: Oh, oh!

Mr. Manley: When compared with eight comparable countries, our gross R and D expenditures as a percentage of GDP is the lowest at 1.42 per cent. Our industry funded R and D as a percentage of GDP is the lowest at .76 per cent. Government funded R and D is the second lowest at .34 per cent. In terms of government performed R and D we are at about the middle. In higher education R and D we are the lowest at .32 per cent. In terms of the number of domestic patents granted per

hundred thousand inhabitants we are the second lowest, and on it goes.

These are trying times and difficult times. We need to compete in the world and we need the tools to do it.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being eleven o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, Canadians have been weathering the cold icy practices of this Conservative government, but I want Canadians to take heart because spring is on the horizon.

Canadians are against the proposed goods and services tax. The GST is truly regressive. However, it is the Liberal Party that is giving Canadians from coast to coast an opportunity to say no to the GST. Canadians can help fight this GST any day of the week next week by picking up the phone and dialling 1-900-720-6052. That registers their no vote to this GST.

Canadians know that this government and this Minister of Finance have raised their taxes 32 times since taking office, yet they have not managed to bring the deficit under control. Although the Minister of Finance has called the present manufacturers' retail sales tax a silent killer of jobs, it did not stop him from raising the tax from 9 per cent in 1984 to 13.5 per cent today. Canadians also know—

The Acting Speaker (Mr. Paproski): The hon. member for Sarnia-Lambton.

* * *

TRADE

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, Sarnia—Lambton, like a number of border communities across Canada, is in transition. A number of recent developments, including the implementation of the free trade agreement, has fostered many new conditions and changes in our community.

Within this context I have joined with other government members who represent border communities to form an ad hoc border issues committee. The group is studying the issues and problems which have a particular and profound impact on border regions such as Sarnia—Lambton. Tariff and duty collection, GST rebates for foreign tourists, cross border traffic, and personal exemptions are just a few.

It is my hope that the committee can develop positions and possible options which may help the government address the problems which we face collectively. I believe that the committee's activities will help alleviate the special circumstances which confront those of us who reside in border communities.

* * *

TIBET

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, one year ago marshal law was declared in Tibet. Since that time Tibetans have been subject to indiscriminate arrest, beatings, pass laws, surveillance by troops armed with automatic weapons, and jail sentencing up to 20 years for advocating independence in Tibet.

Thirty-one years ago saw the popular uprising in which thousands of Tibetans were cruelly killed by Chinese security forces. There has been no improvement since that time.

Two years ago I stood in this House and asked the Canadian government to support the demands of the Tibetan people. Nothing has changed. Tibetans are still seeking their independence and their freedom. They are still seeking basic human rights. Canada should not wait any longer. Tibetans have the right to self-determination and Canada must respect and support their cause.

* * *

THE BUDGET

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, this week's budget debate proved to the Canadian people a number of things. Two points in particular were crystallized in the course of exchanges. The first is that the opposition parties have yet to return from

fantasy land and are still seeking magic wand solutions to problems they are unwilling to face in the real world.

The second point is that our government is firmly committed to showing leadership in bringing our deficit problem under control and managing the Canadian economy. There are no easy answers to the question of fiscal responsibility and this Minister of Finance has taken the measures necessary to ensure that our children and our grandchildren are not burdened with the debt created by the previous government.

* * *

WORLD FIGURE SKATING CHAMPIONSHIPS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise today to express the pride I know is shared right across Canada over Kurt Browning's victory at the World Figure Skating Championships.

I remember quite well sitting with Ed and Lucille Broadbent in Calgary at the Olympics when Kurt competed for Canada. He went on to be the first skater to perform a quadruple jump in competition and his resounding victory last year in Paris put him in the great Canadian tradition of Donald Jackson and Brian Orser. Now he is the first Canadian man to win two world figure skating championships.

I think Kurt did us the proudest when he led the Halifax arena in the singing of *O Canada*. That was one of those rare electric moments, moments that are so important in these days of strained unity. Isabelle Brasseur's and Lloyd Eisler's silver medal and the stellar performance of the Duchesnays are making this a world championships for Canadians to remember for a long time.

I know the members of this House join me in saying thank you for making us all so proud while at the same time offering encouragement and best wishes for those Canadians still competing.

Some hon. members: Hear, hear!

* * *

STUDENTS

Mr. David Bjornson (Selkirk): Mr. Speaker, I am pleased to rise in the House today to commend the efforts of the student leadership group at the Lord Selkirk Regional Comprehensive High School in my riding of Selkirk.

This group is committed to developing their skills in peer counselling. As a result of a work shop which the student group attended, they realized their need for further training in this area. Thanks to our government's national drug strategy program, a significant grant has been provided to the school. This grant will prepare these students to be peer counsellors for sessions geared toward chemical dependency topics.

I applaud both the efforts of the students and our government in this important endeavour.

* * *

RCMP DRESS CODE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Solicitor General of Canada has been attempting to avoid the issue of turbans in the Royal Canadian Mounted Police for almost a year. As early as April, 1989, the Commissioner of the Royal Canadian Mounted Police recommended that turbans be permitted. The former Solicitor General promised a decision by the end of February, 1990, but he was incapable of making up his mind. The Prime Minister replaced him.

The new Solicitor General must act. The Prime Minister now supports turbans in the RCMP, according to recent press reports. The delay in decision-making in this matter is exacerbating race relations across Canada. We in the Liberal party urge the Solicitor General to stop dithering and show some leadership, leadership that this government so sadly lacks.

* * *

REGIONAL DEVELOPMENT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I was preparing some notes for a presentation on the Nova Scotia economy the other night and even I was surprised at the positive numbers. I would like to put them on the record.

From 1985 to 1989, unemployment in Nova Scotia has declined from 13.6 per cent to 9.9 per cent. The Gross Domestic Product has increased every year from 1984 to 1989. Building permits have increased every year from 1984 to 1989 after a decline in the early 1980s. Exports have increased every year since 1984, with an all-time

record in 1988. Investment has increased steadily with a record investment of $4.7 billion in 1989, encouraged by the leadership of ACOA.

Yes, we do have some problems and challenges in Atlantic Canada, but these actual numbers paint a very positive picture for Nova Scotia.

* * *

CBC FARM BROADCASTS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise today to pay tribute to George Price, one of agriculture's finest champions and a golden voice in broadcasting who is scheduled to retire from CBC Radio this June.

For the past 31 years, listeners across Canada could hear his parliamentary items during the daily radio noon show. He has survived many rounds of CBC cut-backs. He has watched as some stations sliced time from the farm show. He has seen commentators leave without replacement and he has watched many food and farm reports become resource reports. Now with his retirement his position will be cut and that hurts. It hurts George to know that his work is considered unnecessary, but it hurts rural Canada too.

It is a further slap in the face from a government that has been steadily reducing communications funding and services to rural Canada. Rural Canadians need informed and accurate reports on events that shape their lives. CBC may be reflecting what the government wants when it makes this cut but it is not what rural Canada needs.

* * *

[*Translation*]

CANADA AND INDOCHINA

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, Canada's Cambodian community was both saddened and distressed when it heard about the statement on Indochina made by the Secretary of State for External Affairs (Mr. Clark) in the House of Commons on January 25.

A few days ago, I had the pleasure of meeting, at my office, a delegation headed by Mr. Sarindeth Duy, President of the Khmer Association for National Action, who, with other members of this groups, including Simon Yim, Buddhi Klok, Seng Phlang and Chan Dara, expressed their concern about the statement made by the Secretary of State for External Affairs, because Canada, which so far had always been neutral and had taken a very independent position on this matter, now seemed to be siding with those who had caused such widespread persecution in that country.

* * *

[*English*]

THE CONSTITUTION

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I am concerned about what is taking place in my country. My parents were born and raised in Shawville, Quebec, not 50 miles from here. My dad homesteaded in southern Saskatchewan. He and mother farmed there for 60 years. I was born in the "dirty thirties". I know what drought and depression are. I am Canadian. This is my country, the best country in the world. But it seems there is a constitutional depression. There is a drought of ideas. We are tearing ourselves apart.

• (1110)

I, for one, do not want this to happen. We need to bind our country together into one united Canada. The constitutional discussion revolving around the Meech Lake Accord seems to have reached an impasse. I would encourage all 11 of Canada's first ministers to reconsider their positions. There has to be a way of resolving our differences.

I would compliment the Premier of British Columbia for trying to find alternatives to bridge the gap. We must be creative. We must do our utmost to find a way to affirm who we are, and to confirm that we are all equal partners. I beseech Canada's first ministers to meet and keep meeting until this impasse is resolved.

There is a place for all provinces in Canada, just as there is a place in the provinces for Canada.

Some hon. members: Hear, hear!

* * *

AGRICULTURAL INDUSTRY

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, why has the federal government repeatedly refused to challenge the national lending institutions in Canada by declaring a moratorium on farm foreclosures and by

initiating realistic debt restructuring in the Canadian agricultural industry.

Rather, the government has facilitated the process of dispossession through the Farm Debt Review Act, which was deliberately structured in such a way that the Farm Debt Review Board is unable to arbitrate settlements between farm debtors and their creditors.

As a consequence, the lending institutions remain unscathed and are now in legal possession of thousands of acres of farmland, millions of dollars worth of farm buildings and assets, and the levels of repression grow daily. The dispossessed, once people of the soil, farm families proud of their abilities to produce and pursue a rewarding way of life, are migrants or tenants of the corporate masters on land that has, in many cases, been in their families for years.

When will the government intercede to stop this corporate take-over of farms? Stop the lending institutions from profiting on the unfortunate circumstances in which some farmers temporarily find themselves.

* * *

MEECH LAKE ACCORD

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, it is not often in our lives that we encounter historic moments when our own convictions may truly constitute leadership toward an important national purpose.

The Meech Lake Accord presents such a moment, and the unity of Canada is such a purpose. As we contemplate the frustrating discord to which the Meech Lake debate has now deteriorated, it is timely to reiterate our individual convictions that the Accord presents a unique opportunity for Canada to become whole and to renew our collective resolve to help make it so.

[*Translation*]

To me, Mr. Speaker, it is clear that Canada needs Quebec and Quebec needs Canada.

[*English*]

As colleagues in all corners of the House, we reflect the unity that is Canada. In the critical weeks which remain let us individually and collectively intensify that reflection upon the Meech Lake deliberations in every way that we can.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I rise today in the House to speak to a very urgent matter which concerns the people in the riding of Chambly, and more specifically, the residents of Saint-Basile-le-Grand. I received a resolution that was passed unanimously by the town council of Saint-Basile-le-Grand, which says that the people of this town feel they have been abandoned by the federal government with respect to the storage of PCBs that were partially burnt in a fire eighteen months ago. These people would like the government to set up a joint committee that would settle the storage problem once and for all and deal with the problem of adequate compensation for the people of Saint-Basile-le-Grand, because these people feel they have been abandoned by the federal government.

* * *

[*English*]

FISHERIES

Hon. William Rompkey (Labrador): Mr. Speaker, the crisis that we are going through in the fishery now demands immediate attention from the government.

We have a new minister, and we wish him well. He has received the reports of the Harris and the Haché committees. Now is the time to act. The government must manage those stocks in the future on behalf of all Canadians because it is a national resource.

Also, I remind the government that the principle that has been followed up to now is an adjacency principle and that, while it is a national stock, those closest to the resource should have priority. In my own area of Labrador we have the greatest resources in the world off our shores; yet, some of the most disadvantaged fishermen in Canada.

I call upon the government in the new management plan to reaffirm the principle of adjacency and to give priority to those who live and make their livings near those stocks.

[*Translation*]

NATIONAL UNITY

Mr. Denis Pronovost (Saint–Maurice): Mr. Speaker, since its birth in 1867, Canada has experienced a number of problems. There are problems today, and there will certainly be other problems in the future. Canada's anglophones and francophones have not always shared nor will they always share the same vision of this country we call Canada.

[*English*]

But, over–reacting to all our constitutional problems does not help Canada, does not help Quebec or any other province. Despite all the historical difficulties this country has experienced in the past, all members of this House on both sides of the issue must remember that Canada is still a wonderful place to live, to bring up a family and to build a better future for our children.

* * *

COMMUNITY NEWSPAPERS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the people of the Six Nations have gone through a number of environmental crises over the last few weeks: asbestos found in their schools, contamination in their drinking water, air contamination resulting from the Hagersville fire.

All this time the community newspaper, known as *The Tekawennake* has enabled the people of the Six Nations to keep informed of these issues.

In the last budget the Secretary of State has cut funding for these community newspapers, and I call upon him to reconsider his decision to make these cuts in order to help these community newspapers keep open the lines of communication that are much needed on the reserves.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister, I have a question for the Deputy Prime Minister. In light of the growing concern as to what is happening in this country on the matter of constitutional change, exactly what is the Prime Minister doing in a positive way at this time to bring about constitutional change of a kind that is broadly acceptable to Canadians generally?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Prime Minister, the Senator who is the Minister of Federal–Provincial Affairs, and other ministers have been in ongoing discussions and consultations with the premiers and other officials of the provinces in an attempt to draw together a better degree of consensus and understanding so that there may be some basis for advancing this particular issue.

I am sure the hon. member is referring specifically to what occurred in the legislature in Newfoundland yesterday, and the notice of the intention of the government of Newfoundland to revoke the resolution that was previously passed.

I should remind my hon. friend that the Prime Minister and indeed all first ministers had given the Premier of Newfoundland an undertaking that the Meech Lake Accord or any variation of it would not be implemented until the legislature in the province of Newfoundland would have an opportunity to reconsider the matter and express its approval or its disapproval. In return the Premier of Newfoundland had agreed that the legislature would not in the meantime rescind the resolution that has already been passed in the legislature of Newfoundland. We can only expect that commitment to be upheld and honoured.

While it is included in the Speech from the Throne, there has not been any specific date as to when it may be rescinded. Therefore I think that it offers the opportunity for further discussions and consultations to continue.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have been talking about the mood in the country generally. In light of what the Deputy Prime Minister has just said I want to ask him if the Prime Minister will call an immediate first ministers' conference on this very important matter?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, while I appreciate the good intentions of my hon. friend I am not sure the word "immediate" would be appropriate, inasmuch as I think

there would have to be some movement and some indication that the parties are coming closer together.

• (1120)

Hopefully the result of the ongoing consultations and discussions will result in drawing closer together all the parties involved to bridge some of the divergent views.

At an appropriate time, the Prime Minister may very well consider the very valuable suggestion the hon. Leader of the Opposition has proposed. Perhaps, at an appropriate time that might be the logical course. It is very much in the Prime Minister's style to try to build a consensus on these important issues. I think he would agree that there probably has to be some further groundwork done before that could take place.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I want to ask the Deputy Prime Minister why he and his government do not think there is any value in providing an opportunity for the provincial premiers and the Prime Minister to sit around the same table and discuss the situation. I also want to ask the Deputy Prime Minister why he won't give Canadians a chance to hear about the government's plans in this respect, considering that the deadline for adopting the constitutional mechanism is June 23, which is not far off. We need more information on an issue that is vital to the future of this country.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not suggesting for one minute that there is no value in the proposition advanced by the Leader of the Opposition.

What I am saying is that it is a matter of timing and at the appropriate time, perhaps that might be a logical course of action. As well, I can assure the hon. member that at the appropriate time the Prime Minister will be outlining the further approach the federal government will undertake to help resolve the impasse.

Hon. Bob Kaplan (York Centre): My question is directed to the Deputy Prime Minister in the absence of the Prime Minister. Will the government at least recognize that it was an error, as we pointed out three years ago, to regard the Accord as a seamless web to which only egregious errors could be admitted. Will he recognize that there should be public participation, that the concerns of western alienation, the concerns of the northern people, so many of the concerns of the economic union of Canada, over the last three years all of these matters should have been considered?

Will the Deputy Prime Minister agree today that the consideration of the constitutional reform will be enlarged so that there will be some assurances that all of these concerns will be dealt with?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not sure whether the hon. member is outlining a new version of the official position of the Liberal party. It would seem that way.

This was a resolution that was passed by the House of Commons. It was supported by all political parties and the government is very grateful for that. While it was never suggested that the proposal was perfect, it was clearly suggested that it formed a basis for bringing together in a constitutional framework all the provinces and addressed many of the issues that required addressing.

It set the stage for the resolution of further ongoing constitutional issues, such as Senate reform, greater participation by the provinces in the appointment of the Senate and greater participation in the appointment of members to the Supreme Court, plus certain flexibilities that in a more accurate way reflect the diversity of this country. We felt, and obviously 10 of the then premiers felt, that this was the first step and was important enough to advance the whole cause of constitutional reform to more accurately reflect the reality of Canada.

Hon. Bob Kaplan (York Centre): Mr. Speaker, what has become clear over the last three years is that the Canadian people are not prepared, and for good reason, to accept the promises of the Prime Minister to deal with events subsequently. That is the reason we are urging and ask now that the Prime Minister show leadership again. Call the first ministers together and develop a concrete method of assuring that these subsequent stages will be arrived at in good faith and that they will be gone through.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Prime Minister and this government have shown leadership in advancing the Meech Lake Accord. I regret that the hon. member is now having some second thoughts about the support of his party. That is regrettable. I indicated earlier that the—

Mr. Speller: You are playing politics.

Mr. Mazankowski: The hon. member suggests playing politics. It is his own colleague who is trying to inject politics into this. Maybe once the junior member has been around here for a little while he will realize the difference between politics and sincerity.

What is happening is that the consultation process is going on, as I indicated to his leader, in the hopes that there can be a drawing together of the opinions in bringing the parties together in an attempt to follow through perhaps with a first ministers' conference. We are certainly not ruling that out. I indicated that I appreciated the recommendation by the Leader of the Opposition and suggested to him that at an appropriate time that might be a possible course of action.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to say on behalf of our party that we urge the government to hold a first ministers' meeting as soon as reasonably possible on the future of the Constitution and Meech Lake.

My question is directed to the Deputy Prime Minister. There is now a constitutional impasse in this country and a great deal of concern about the unity of Canada from one part of this country to the other.

On February 23 in the national press theatre the Prime Minister held a press conference. He said in part: "I will be meeting very soon with Senator Murray and I will be talking to some of the first ministers, no doubt. I will let you know as the events unfold".

Is the Deputy Prime Minister in a position to bring the House up to date on what has happened in the last two weeks? Premier Wells said yesterday that he had not heard from the Prime Minister. Has the Prime Minister been meeting with Senator Murray? Has the Prime Minister called the first ministers? Can the Deputy Prime Minister bring the House up to date on what has happened in the last two weeks since he held that very important press conference?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I appreciate the tenor of the hon. member's question and his expressed concern for the national unity of the country. I can say on behalf of my colleagues in the House that the hon. member for Yorkton—Melville has always been in the forefront of providing leadership on behalf of his party and the constituents which he represents in promoting national unity.

The senator has travelled across the country, as he was instructed to do, on the basis of the agreement reached at the first ministers' meeting in November. He has been in the process of exploring possible accommodations, including the idea of Premier McKenna's parallel accord.

The dialogue among all the provinces is continuing. It is going on at this very moment and has been going on at the level of the Prime Minister and the premiers, various cabinet ministers and officials. I want to assure to the hon. member that the federal government has not given up in this very worth-while process. We will continue to work and I am sure at the appropriate time the hon. member and other members of the House will be brought up to date.

The developments of yesterday and recent developments have obviously caused a greater sense of urgency. I want to give him the assurance that we treat this as an urgent matter and will invite the participation—and I am sure the Prime Minister would agree—of all hon. members, as we have in this House before. It is more than simply a government initiative, it is an initiative by Parliament, it is a resolution that has been supported by Parliament and we respect and appreciate the support from the hon. member and his party.

Mr. Lorne Nystrom (Yorkton—Melville): With respect, Mr. Speaker, I wonder whether or not the Deputy Prime Minister can tell us if during the last two weeks the Prime Minister has been in touch with other first ministers in this country? There are a few confusing signals coming out of this as to whether or not the Prime Minister himself has been in touch with First Ministers. Is the Prime Minister willing to look for some mechanism, to seek some accommodation of some of the

concerns and some of the suggestions regarding Meech Lake?

• (1130)

The Deputy Prime Minister knows, of course, that in this House there is very strong support for the five conditions of Quebec. He knows about some other concerns and some other suggestions.

Has the Prime Minister been in touch with the First Ministers? If he has not been in touch, why has that not happened, or will he soon be in contact with them with a view to having a First Ministers' conference, if necessary, to resolve the impasse?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Yes, Mr. Speaker, to the best of my knowledge he has been in touch with all of them. I know he has been in touch with a lot of them and my understanding is that he has been in touch with all of them. I know that the senator has been in touch with all of them. I know that other cabinet ministers have been involved as have officials been involved in this process.

Of course, Mr. Speaker, we are attempting to look for an accommodation. If it is timely and appropriate and if there is a drawing together of the parties and the divergent points of view, I am sure that the Prime Minister would convene a First Ministers' conference.

However, as I indicated to the Leader of the Opposition, I am not sure that the timing is appropriate right now. I think there has to be some further work done and I can assure the hon. member that that is going on.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. The Prime Minister knows perfectly well that the main factor that is contributing to the concern in this country about the Meech Lake impasse is the government's silence.

Could the Deputy Prime Minister inform the House when the Prime Minister will report to the House on what his government has done to get out of this impasse?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is really unfortunate that the hon. member would make that observation because I think many hon. members and, indeed, the country know that the opposite is true. We have not only been not silent, we have been consistent, and the Prime Minister has laid out in very clear and concise terms—

Mr. Speller: Where have you been speaking?

Mr. Mazankowski: Mr. Speaker, the hon. member asks me where I have been speaking. I would not expect him to have the energy to follow me around the country.

Some hon. members: Oh, oh!

Mr. Mazankowski: I want to assure the hon. member, as I assured the member for Yorkton—Melville and the Leader of the Opposition, that the work is ongoing and will continue. As far as the Government of Canada is concerned, while there are some difficulties at the present time, that does not for a moment lead us to believe that this issue cannot be resolved.

* * *

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Deputy Prime Minister and it concerns the revelation that the government is indeed recruiting RCMP officers to enforce the proposed goods and services tax.

I have in my hand a copy of a memo that was sent to the RCMP on December 13, 1989, recruiting individuals to assist, and I quote: "in the development and implementation of an intelligence unit aimed at gathering information and maintaining an intelligence data base on tax".

How can this government possibly explain this deceitful and unsettling development? Are small business people now going to have to watch their alleyways for undercover agents in trench coats and dark glasses?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this government has made it very clear that it believes in the fundamental honesty of Canadians to deal with their tax matters in a very honest way. We do

know, however, that there are some people in the country who will take advantage of tax systems.

What has been proposed here is no tax police, nothing in that order, but a precaution to ensure that the measures developed in this new GST system are appropriate, taking into account the possibilities that could arise through tax evasion and fraud.

I think that this sort of precautionary measure is supported by Canadians because if there is not the precautionary measure taken it just puts a greater tax load on honest taxpayers in Canada, which is certainly not appropriate.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary is for the same minister and it concerns the same bulletin. I quote again from the bulletin:

> With the introduction of this new tax as with any such far-reaching program, the opportunities for fraudulent activities are of concern to us.

Over and over again in this House the Minister of Finance and his colleagues on the front bench have indicated that the GST is a simple tax and that there would be no great problem with compliance. If so, how can the minister possibly reconcile this tax police recruitment bulletin and campaign with his rhetoric of simplicity echoed daily by himself and other members of his front benches?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is absolutely clear that the goods and services tax is a simpler tax than is the existing federal sales tax which has 22,000 separate special deals between Revenue Canada and the taxpayers. So clearly the complexity of the old system is prone to tax avoidance and tax evasion and one of the reasons for moving to the GST is to try to avoid that.

But in any system, in any country, there are opportunities for tax evasion. Tax evasion is breaking the law. The GST will be in place. It will be a simple, far less complex tax system, but people can still break the law.

If my hon. friend from Dartmouth is saying that he is quite comfortable letting Canadians break the law, if he is quite comfortable encouraging the government not to take precautionary steps to stop people from breaking the law, then I think that it is a very interesting policy that he proposing for the Liberal Party of Canada.

Mr. John Manley (Ottawa South): Mr. Speaker, I am pleased to hear that the tax is so simple. I am sure it has not escaped the minister's notice that he is going from 75,000 taxpayers who pay the MST directly to about 1.25 million businesses that are going to be collecting the new tax. Is that simplicity?

I would like to ask him a question on the same point. Given the reference to fraudulent activities and given the fact that billions of dollars go back to businesses through the GST system, through the input tax credits, will the minister indicate to the House how much his department anticipates will be lost to the revenues of Canada through fraudulent activities given the size of the business input tax credits that will exist?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the design of this goods and services tax will avoid the loss to which my hon. friend is referring. In the system that we have today the total consumption tax is centred on 75,000 taxpayers. There are great pressures on those taxpayers to try to minimize their tax liability. That surely would suggest to me that the existing system is much more prone to tax avoidance than the new system which will be more equitable because it is broadly based and because there are not unfair advantages given to some people in a tax system who are not taxed and others who are.

That is one of the key benefits of moving from the existing system, which is prone to that sort of avoidance, error and evasion, to a new system which is far more equitable.

Mr. John Manley (Ottawa South): Mr. Speaker, I take the minister's answer to mean that he does not expect any loss through fraudulent activities and therefore he begs the question of why this memo has gone out saying that the government anticipates fraudulent activities and needs to hire tax police in order to prevent it.

I would like the minister to explain why, if he is not going to lose anything through fraudulent activities, the government is out trying to hire people with RCMP credentials to prevent loss through fraudulent activities.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the naivety of my friend is stunning. Does he think that everybody in this country is going to be

perfectly honest? Does he think that everybody who is going to be a part of this tax system is going to be fully honest and not do anything wrong?

Mr. Manley: I asked you how much you thought you were going to lose and you said "nothing".

• (1140)

Mr. Wilson (Etobicoke Centre): I hope nothing and that is precisely why we are taking these precautionary steps to see whether there are differences in this tax system which the experts on fraud in the RCMP should bring to the attention of Revenue Canada.

Mr. Gray (Windsor West): Don't you know that yet?

Mr. Wilson (Etobicoke Centre): My friend from Windsor says don't we know it yet. These are things that we have been working on for some while with Revenue Canada, with the RCMP and will continue to do so because we believe we do have a responsibility to honest taxpayers to ensure that dishonest taxpayers, of which unfortunately there are a few, do not take advantage of the system.

[*Translation*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Finance. The Conservatives' Mr. Shaight-from-the-cuff has spoken! Yesterday the Chairman of the Finance Committee admitted that the only way to raise new taxes was to hit the middle class. Will the Minister admit that this is true, and that his philosophy behind the GST is to hit the middle class as hard as he can?

[*English*]

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, on the contrary, I do not agree with that. I would say to my hon. friend that in income tax reform in 1988 we introduced a number of changes in the corporate income tax system that will increase the effective tax rates on corporations. It will result in a number of corporations paying tax which previously did not pay tax. These are things which I think my hon. friend would support which will result in a much fairer tax system.

We have done the same thing in personal income tax reform as well through the years to remove a number of loopholes, a number of tax breaks that were in the personal income tax system that favoured people in upper income brackets. So the result is that after tax reform there will be a greater burden of tax on both upper-income people and corporations.

* * *

TAXATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact the details which were given to the committee yesterday by tax experts showed very clearly that the various cost of living gaps which the government has built into the tax system lead to reductions in the percentage of tax paid by higher-income groups as compared to middle-income groups. It is the middle-income people in this country who are carrying the burden, and the minister has to recognize that.

Is the minister not prepared at this stage to take some initiatives to see to it that those at the top of our income scale start to pay a fair share? These initiatives could include eliminating the $100,000 capital gains tax exemption, putting an inheritance tax back into place, and seeing to it that wealth taxes exist. Is it not possible for this minister to be fair to middle-income and lower-income Canadians and not just to favour the rich?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member refers to a minimum tax on corporations. His party has been talking about a 20 per cent rate. What is he going to do with the 12 per cent rate that is charged on small corporations, small businesses that make up the vast majority? About 90 per cent of the companies in Canada are small businesses. Is the member going to support an increase in the tax rate of 12 per cent to 20 per cent just to satisfy his philosophical interest?

He talks about a tax on wealth. There is a deemed realization on the capital gains of people when they die. That provides revenues to the Government of Canada on the death of people. Is he saying that he wants a wealth tax on top of that? That would be double taxation. Is that fair?

I ask the hon. member to consider the effects of wealth tax. In 1972 when inheritance taxes were removed in this country, they raised something like .07 of 1 per cent of revenues. The key reason for that is that upper income people are able to tax plan their way out of paying those wealth taxes. The result is that the wealth tax is paid by those people with middle incomes who

cannot afford the tax help from the expensive lawyers and accountants.

The reason we have followed this philosophy of taxation is because it is fairer for Canadians.

* * *

[*Translation*]

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans and concerns the assistance plan for workers in the fisheries industry, which the government intends to set up right away. Will one of the plan's priorities be to keep the jobs in fishing communities so that the workers will be there as soon as the fisheries get back to normal? Will the jobs be there, in order to keep the people in these communities?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I would have thought the hon. member, with her experience and representing a riding where the fisheries are extremely important to her constituents—I would have thought that the present crisis in the Atlantic fisheries would have made her consider whether the solution, whether the programs to be implemented should be aimed at improving the fishermen's income or whether we should put the emphasis on creating jobs in this sector. This is a fundamental issue. Do we want to keep using the fisheries to create jobs or do we want to make the fisheries an economic activity that will be worthwhile for the fishermen? I must admit, Mr. Speaker, that after only a week and half in this department, I was surprised to see that our Atlantic fishermen have incomes that are well below those of most Canadians and that 41 per cent of their income is derived from unemployment insurance. I think these are some fundamental questions that must be addressed.

[*English*]

Mrs. Coline Campbell (South West Nova): Mr. Speaker, the minister has to learn not to turn the question back here. He is the minister now. He is going to have to work with his colleagues and find solutions.

All I asked was that with the assistance this government is providing will he allow programs to keep the people there. We know the situation will return to normal. We know that there will be a need for those people to be there? We want to keep the people there. I do not care about unemployment insurance. Most of the people in southern Nova Scotia did not always need unemployment insurance when the fishery was healthy.

Will the minister use the money that is coming in a project to employ fishermen to help his department—which will not listen to fishermen—with the scientific research in the Scotia–Fundy? We need an assessment of stocks before we start saying what we are going to do. We do not know what the stocks are like there and his former department would not listen to the fishermen.

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I am still looking for the question.

• (1150)

[*Translation*]

If the hon. member would give me a chance, I will answer her question.

[*English*]

The member said that now I have to make the decisions. Well watch me. I think you have heard that before. We will be making the decision.

However, if you ask me today to again tell Atlantic Canadians that we will guarantee that every person who has a job in the plant today will have that job tomorrow, I cannot make that promise. It would be fooling them.

Everyone talks about overcapacity in harvesting. We talk about overcapacity in the processing plant. And the member is grandstanding on the issue and telling me to ignore this. Well, I will not.

* * *

COMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the government assured me yesterday that a broad based telecommunications bill will be introduced in due course, but added a little caveat that the Minister of Communications still has some consultations to be concluded with the provinces. Given that the business community and consumers are very worried and anxious, and given the Prime Minister's stated support for ending fragmentation of telecommunications interprovincial regulation—given all this—will the Deputy Prime Minister show federal leadership today and direct the Minister of Communications to table the bill next week? Will he give

the assurance that unfettered federal jurisdiction found in Bill C–41 will be included in its integrity?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am very happy to respond to the hon. member's question. No, I do not believe that the Minister of Communications will be tabling a bill next week because he has undertaken to meet with some of his provincial counterparts next week. That is a necessary step prior to the tabling of such a bill. That is a commitment made by the minister at the outset of the telecommunications policy, as the hon. member said yesterday, some five and a half years ago, and he is honouring that commitment of consultation.

Once those consultations are satisfactorily concluded, and that is now in sight, then a bill will be introduced.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I noticed that the parliamentary secretary assiduously avoided committing to Bill C–41, which is the federal jurisdiction. I find that very regrettable. I sincerely hope that it was just by omission and not commission.

Does the Prime Minister realize the risk to federal jurisdiction that the Minister of Communications has permitted in the new broadcasting bill? Does he realize that Keith Spicer of the CRTC has clearly warned in unequivocal terms that federal authority shall be challenged before the Supreme Court and we could fritter away broadcasting activities if the activities of cable and television stations are allowed to be split as the minister is doing in the new Broadcasting Act? Is the government going to chance the dissipation of this key area of federal jurisdiction as well?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, there is no question of abandoning federal jurisdiction in any of these areas. Bill C–41, to which the hon. member refers, is before this House. The principles contained in Bill C–41 are the lifting of the Crown immunity of the three prairie provinces' telephone companies. Those principles will be enshrined in the new telecommunications bill, but there will be consultation and discussion beforehand, as I know the hon. member would expect there to be.

With reference to the chairman of the CRTC and his comments on the broadcasting bill, that bill, as the hon. member knows, is before a legislative committee and she has ample opportunity to state her view there.

* * *

RCMP DRESS CODE

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the new Solicitor General. He has on his desk a longstanding report from the Commissioner of the RCMP in respect of Sikh turbans, a recommendation that members of the Sikh community who are members of the RCMP be permitted to wear turbans.

He now has the public recommendation of the Prime Minister, his boss, on exactly the same subject. The year–long delay in implementing the recommendation of the Commissioner of the RCMP has seriously exacerbated the racial tensions in this country and has hurt the very distinguished Sikh community in Canada.

Will the Solicitor General now stand in his place and assure this House that the recommendation of the Commissioner and the Prime Minister will be accepted?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, I have no intention of unnecessarily delaying a decision on this particular issue.

As I indicated a few days ago, I am completing my verification of all the facts and points that have been made by the interested parties with respect to this particular issue and I will make a decision very soon.

* * *

JUSTICE

Mr. John Brewin (Victoria): Mr. Speaker, my supplementary question is directed to the minister with respect to his responsibilities for the direction of the RCMP, the Correctional Services of Canada and CSIS.

Yesterday the RCMP conceded in Halifax that it had bungled the issue of policing in Nova Scotia. Will the new minister indicate to this House that he intends to

take some real leadership in ending discrimination against native people in the Correctional Services, in our prisons, in policing and in the direction of CSIS?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, I think my hon. friend knows very well my feelings with respect to aboriginal people. As a former Minister of Indian Affairs and Northern Development I think I have had sufficient first-hand experience to know what the issue is all about.

I have always supported, not only the fact that there should be no discrimination whatsoever in general but that in particular there should be no discrimination with respect to aboriginal people. I believe that this government has been making every effort possible to correct whatever wrongs may have been done in the past.

* * *

[*Translation*]

COURT CHALLENGES PROGRAM

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Secretary of State and Minister of State for Multiculturalism and Citizenship. Canada is now going through a language crisis. Yesterday, I learned that the Court Challenges Program, which was to stop at the end of March, would be extended for about four months. I would like to ask the minister why the government is hesitant to make a firm commitment to Canadians that the Court Challenges Program will be available to them in coming years.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, there is no hesitation. I said very clearly that the program was very beneficial. I also indicated that I had met with my colleague, the Minister of Justice, to consider all the recommendations made by the Standing Committee of the House. We will have details soon, after I consult my colleagues. In the meantime, we announced that the program would be extended for four months and we are now having final discussions with the Canadian Council on Social Development, with Mr. Hunsley, so that it will continue to administer this program for us.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Court Challenges Program has been with us for 12 years. It has been very useful to Canadians in helping them defray the costs of going to court to try to establish their basic constitutional rights in equality and language.

The government has given the program a four month reprieve. Will the minister give a commitment in this House today that after July 31, which is the end of the four-month commitment, there will be a program helping Canadians to have access to the courts and to have the assistance of the federal government in achieving those rights before the courts?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I have indicated publicly on numerous occasions how I personally felt about the program and how beneficial I felt it was.

We have received an excellent report from our standing committee with some 19 recommendations from what I remember. Each one of them has been reviewed very carefully and will be responded to very shortly.

Just recently a new Minister of Justice and Attorney General for Canada has been appointed, who I am very pleased has joined us. I am sure that she will be taking cognizance of this particular file. We will be bringing that forward as soon as we can.

* * *

• (1200)

INVESTMENT CANADA

Mr. Jim Peterson (Willowdale): Mr. Speaker, in the absence of the minister responsible for industry, I should like to direct my question to the Deputy Prime Minister.

The government continues its unprecedented high interest rate and high dollar policy. The government has cut its support for science and technology, research and development, small business, education, training, and even for export financing.

Could the government tell us why it is deliberately going out of its way to help Canada's foreign competitors by putting down and suppressing our Canadian businesses and our Canadian workers?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, in that question is a *mélange* of inaccuracies.

First, science and technology spending has gone up since the government has taken power at a greater proportion of program spending than existed under the previous Liberal government.

Second, the spending on the National Research Council is going up this year over last year.

Third, in terms of foreign investment to which the hon. member is probably referring, Investment Canada will be taking a look at the Consumers Gas issue if that is what he is thinking about. I hope the Ontario Energy Board will make its recommendations on that matter, as well as the Quebec energy authorities.

Mr. Jim Peterson (Willowdale): Mr. Speaker, let us look again at the score card of Investment Canada: 789 approvals, zero disapprovals. That is Investment Canada for you.

Some hon. members: Shame.

Mr. Peterson: The problem is that Canada continues to have the highest level of foreign control over our economy of any country in the world and this level, under this government, continues to go up.

How much of Canada must be sold off to foreigners before the government will come to its senses?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I was in New York two days ago. I opened *Business Week* magazine to see a supplement in it from the Premier of Ontario calling for more foreign investment in the province of Ontario and calling for Americans to take an interest in the new free trade context.

What we have today is a lower unemployment rate than we had last month. It has just gone down one-tenth of 1 per cent. Investment interest within Canada and outside Canada is strong because of the strength of our economy.

PRIVILEGE

TABLING OF REPORTS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, one of the principles of parliamentary democracy is the requirement that ministers of the Crown are responsible to the House. Indeed, it is a well-known principle that ministers must maintain the confidence of this House at all times. Another part of it is that ministers have an obligation to report to Parliament. Various Crown corporations share a similar responsibility.

The House maintains records of annual reports, budgets, capital budget presentations and other documents required to be presented in the House from time to time by Crown corporations and government departments. When one looks at the list of those reports that are supposed to be tabled in the House, one can see what is missing. I had the opportunity to examine the records and noticed there is a report that is late and has not been filed. I am getting conflicting information on it.

I raise this matter because I believe the failure of the government to live up to its responsibilities and table these reports in a timely manner constitutes a contempt of the House. The requirements for the tabling of these reports are contained in the Statutes of Canada. They are not just resolutions of this House which alone would be very effective; they are in the law.

The Minister of Supply and Services is wagging his head. I do not know if he agrees or disagrees. I hope he does agree. I hope he listens because he may have some responsibility for some of these late filings.

I am not going to read the list but, according to my calculations, for the period of 1988-89, 73 Crown corporation reports ranging from corporate plan summaries to capital budget summaries and so on were tabled late in the House.

Those corporations are responsible to the House through the ministers who sit opposite and they ignore this problem. It floats around and these things are not done. Most were only one to four days late, but many were up to eight months late.

The point I am making in respect of those items is that those ministers who sit in the House have a responsibility, a very solemn responsibility. They have taken an oath of office to serve their Queen and do their job. Serving their Queen involves reporting for Her Majesty's Crown

corporations of the country. They are not producing these reports on a timely basis.

The one I want to raise, Mr. Speaker, is Atomic Energy of Canada Limited which was required to table its capital budget for 1989–90 on May 30, 1989. It still has not been tabled.

I made inquiries. I contacted the legislative branch and the Library of Parliament and was told that it had not been tabled. I contacted Atomic Energy of Canada Limited and was given the information that it had been forwarded. They were surprised in fact that it had not been tabled. They thought it had been long ago.

The question is: Where is this report? Where is the responsible minister? Why is the minister not dealing with this issue and making sure that the Statutes of Canada are complied with and that these documents are brought in a timely way before the House?

I ask, Mr. Speaker, through you, that the responsible minister take control of this situation, examine the legal requirements in the Statutes of Canada and ensure that these reports are brought to the House. If they are not brought here, I suggest most strongly, Sir, that it constitutes a flagrant contempt of the House. It shows the arrogant attitude that the government displays in its dealings with the House of Commons.

Hon. Harvie Andre (Minister of State to Prime Minister and Government House Leader): Mr. Speaker, the hon. member for Kingston and the Islands sometimes gives me the impression he has been reading old editions of *Hansard* and some of my submissions to the House of Commons.

I did not have the nerve to suggest it was a question of privilege, which it obviously is not, but I do recollect raising a substantial point of order. The Liberal government of the day flagrantly showed contempt, or what have you, by not filing the annual reports, documents and so on required in various Statutes of Canada. I remember working myself up into a rather fine state of indignation and outrage at the arrogant Liberal government. For the life of me, I cannot at the moment recall what retort the then House leader and now Leader of the Opposition in the Senate gave to me, but I remember I did not get very far. Somewhere in the records, there is an excellent retort from the then House leader of the Liberal government, now the Leader of the Opposition in the Senate.

That being said, with respect to the specific question of the report of Atomic Energy of Canada Limited for which he is looking, I will talk to my colleague, the Minister of Energy, Mines and Resources, to determine what reason might be given for the delay. I can think of some right now because of changes that are occurring. Rather than present an inaccurate report that meets the deadline, he may well be delaying to have a more accurate report even though delayed.

I hear the hon. member's submission. I humbly suggest that his claim that this represents a huge contempt and a breach of his privileges as a member will be found from the precedents with which I am familiar not to have any basis.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have been listening with interest to both the point raised by the member for Kingston and the Islands and the response from the government House leader. It just goes to show you that things do not change.

Mr. Milliken: Mr. Speaker, I just want to respond, first to the comment, the gratuitous and unctuous comment, from the hon. member for Thunder Bay—Atikokan, but it is the government House leader I would like to deal with.

I thank him for the offer to deal with the question of Atomic Energy of Canada Limited, but in view of his vast experience in this matter and having raised apparently similar issues as a point of order, perhaps that is where he made his mistake. He should have done it as a question of privilege, because I am sure Your Honour will find this is a contempt of the House. I hope that he will urge his colleagues to comply with the law.

The Acting Speaker (Mr. Paproski): We will take all of these comments into consideration and have another look at the matter. I know the hon. member for Kingston and the Islands has forcibly mentioned exactly what has to be done as far as the government is concerned, and I think we should carry on now and go to Routine Proceedings.

Routine Proceedings

ROUTINE PROCEEDINGS

• (1210)

[*English*]

ORDER IN COUNCIL

TABLING AND REFERENCE OF APPOINTMENTS

Hon. Harvie Andre (Minister of State to Prime Minister and Government House Leader): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

HEALTH OF ANIMALS ACT

MEASURE TO ENACT

Hon. Harvie Andre (for the Minister of Agriculture) moved for leave to introduce Bill C-66, an act respecting diseases and toxic substances that may affect animals or that may be transmitted by animals to persons, and respecting the protection of animals.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that the hon. minister shall have leave to introduce the bill?

Some hon. members: Agreed.

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

* * *

PLANT PROTECTION ACT

MEASURE TO ENACT

Hon. Harvie Andre (for the Minister of Agriculture) moved for leave to introduce Bill C-67, an act to prevent the importation, exportation and spread of pests injurious to plants and to provide for their control and eradication and for the certification of plants and other things.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that the hon. minister shall have leave to introduce the bill?

Some hon. members: Agreed.

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

* * *

YUKON PLACER MINING ACT

MEASURE TO ENACT

Hon. Thomas Siddon moved for leave to introduce Bill C-68, an act to amend the Yukon Placer Mining Act and the Yukon Quartz Mining Act and to make provision for the application of certain orders.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that the hon. minister shall have leave to introduce the bill?

Some hon. members: Agreed.

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

* * *

PETITIONS

RIGHTS OF THE UNBORN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is my duty and privilege to present, on behalf of constituents of Fraser Valley East, a petition to the House asking that the government and Parliament enact legislation which will effectively protect the life of the pre-born child without distinction as to the stage of development.

HOUSING

Mr. David Bjornson (Selkirk): Mr. Speaker, I have the honour to present a petition on behalf of the minister from Don Valley East signed by petitioners from across Canada who call upon Parliament to live up its 1986 commitment to sponsor 5,000 new co-operative housing units a year under the federal ILM program.

They also call upon Parliament to use its influence with provincial ministers of housing to ensure that 50 per cent of the co-op housing units developed since 1986 be made available to low income earners through provisions of rent supplements.

SOCIAL PROGRAMS

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour and duty, pursuant to Standing Order 36, to present to this House a petition certified correct by the clerk of petitions.

It contains the signatures of over 150 Canadian seniors. They reside not only in my riding of Hamilton West but in Dundas, Burlington, St. Catharines, Stoney Creek, Brantford, Scarborough, Unionville, North York, Grimsby, and Fenwick, just to name a few.

They state that since 1952 Canadians made additional tax payments for the sole purpose of funding the old age security programs and not for the purposes of balancing federal and provincial government budgets.

They request that the federal government immediately affirm the right to all Canadians to receive universal access to benefits of old age security payments by cancelling plans to introduce a clawback tax regime on old age security payments.

[*Translation*]

POSTSECONDARY EDUCATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I trust the House will been with me, because I have several petitions signed by students from the University of Ottawa and elsewhere, in which your petitioners wish to inform the House of theirs views on overcrowded lecture halls, deteriorating laboratory equipment, a lack of library resources, the student-teacher ratio, elimination of certain courses, and deteriorating buildings and facilities. Mr. Speaker, this seems to be a situation that is typical of many postsecondary institutions in Canada.

These students would like the House of Commons to urge the Government of Canada to hold a top level federal-provincial conference that would establish financial responsibilities at both levels of government with respect to postsecondary education and put a stop to the shameful neglect of higher education in Canada.

Mr. Speaker, I have about 20 petitions to table today, and I appreciate the attention of the House.

[*English*]

GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rose yesterday to read into the record petitions from hundreds and hundreds of petitioners who are very upset with the goods and services tax. They find it is regressive and repressive. They are concerned that it is a hidden tax. They are concerned that they will not be able to meet their bills, and they are very concerned with the potential for higher inflation, higher interest rates and higher unemployment.

In my riding there are many poor people. What I want to say is that the members of the riding of Côte-St.-Luc, Hampstead, Snowdon, Côte des Neiges and the town of Mount Royal plead with this government to withdraw this really repressive tax.

[*Translation*]

POSTSECONDARY EDUCATION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have the pleasure of tabling today a number of petitions submitted by the Canadian Students Federation, in which your petitioners ask the House of Commons to urge the Conservative Government to stop the erosion of quality and accessibility at universities, colleges and postsecondary institutions in this country.

Local students, including students from the University of Ottawa and also students from Montreal, signed this petition because they consider that the Goverment of Canada has a major responsibility in this area and that it must support and assist the efforts of the provincial governments.

GOODS AND SERVICES TAX

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, if you allow me, I have more petitions sent to me by my constituents, further to the one I presented a while ago, against the government's decision to impose a goods and services tax. These petitioners want to present their point of view to the House of Commons so that it will ask the Conservative government not to implement this goods and services tax which would be extremely hard and extremely tough on the poorest people in our society.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by several constituents of Windsor West who are opposed to the GST and ask the government to reject this tax.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a petition signed by approximately 700 residents, primarily of Thunder Bay, Ontario, but also residents of Red Rock,

Dryden, Murillo, Red Lake and Sioux Lookout, all in northwestern Ontario.

These petitioners point out that the proposed goods and services tax is an unfair form of taxation because of its lack of regard for taxpayers' ability to pay, that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower and middle income taxpayers to bear more of the national burden. They call upon Parliament to reject any such tax.

I want to add that I have been assisted in the collection of these petitions by the residents of Patterson Court, a municipal non-profit housing facility, and by one of the local bowling alleys, Galaxy Lanes which are very upset.

• (1220)

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition on the goods and services tax to you. It contains 1,003 names. The petitioners say that the goods and services tax proposed by the Minister of Finance is an unfair form of taxation because it does not take account of taxpayers' ability to pay.

Mr. Speaker, the petitioners demand that the government cancel its plan to implement a goods and services tax which would shift the whole tax burden onto ordinary Canadians by means of a regressive consumption tax and that it really go about reforming the present Canadian tax system.

[*English*]

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I have the honour to present three petitions on behalf of people from Welland, Minden, Vanier, Orleans, Ottawa, and Dunnville who decry the proposed implementation of the goods and services tax.

The petitioners point out that it is an extremely regressive and unfair form of taxation in that it hits the people who are least able to pay that kind of a tax. They also point out that the government has not addressed the present tax system and enforced it in the way it ought to be, which would be amuch fairer tax system than the government is proposing.

They also decry the fact that reading materials, haircuts and home heating fuels will be taxed. They ask that the government withdraw this unfair and iniquitous tax.

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to rise, pursuant to Standing Order 36, to present a petition to the House from over 2,000 people in Victoria where the flowers even bloom today ahead of the rest of the country. We are very proud of that.

This petition reflects the overwhelming feeling of the people of Victoria that the GST has to be rejected. It calls for a reform of the tax system to include the introduction of a wealth tax and a tax on polluters. It calls for a reorganization of government spending priorities in a way which ensures that our basic priorities in education, health, regional development and environmental protection are maintained, without imposing a tax on the majority of Canadians but by imposing in on those who have the full ability to pay.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, Question No. 169 will be answered today.

[*Text*]

LAPOINTE, ROSENSTEIN AND BYERS, CASGRAIN-LOW, MURCHISON

Question No. 169—**Mr. Murphy:**

Since May 31, 1986, has the government or any agency of the government made any payment to the firm of (a) Lapointe, Rosenstein (b) Byers, Casgrain-Low, Murchison and, if so (i) on what dates (ii) for what services?

Hon. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): See attached.

I am informed as follows:

a) **Lapointe, Rosenstein**	(i)	(ii)	
Canadian Broadcasting Corporation	February 10, 1988	Labour arbitration matters	$ 1,379.25
Federal Business Development Bank	October 16, 1986	Corporate counsel/research/opinions	57,304.53
	November 6, 1986	Litigation account	10,783,68
	November 6, 1986	Litigation account	18,346.77

	March 2, 1987	Corporate counsel/research/opinions	47,250.00
	June 11, 1987	Litigation account	11,282.89
	September 24, 1987	Investment account	3,912.40
	December 3, 1987	Litigation account	10,264.02
	July 18, 1988	Corporate counsel/research/opinions	27,000.00
	January 19, 1989	Litigation account	2,667.43
	February 15, 1989	Litigation account	4,551.79
	March 30, 1989	Investment account	862.25
	July 11, 1989	Investment account	3,690.17
b) Byers, Casgrain–Low, Murchison	(i)	(ii)	
Canada Post Corporation	(5 payments) July 15, 1986 to March 30, 1989	Legal services	$ 2,582.55
Canadian Aviation Safety Board	September 30, 1986	Professional services	90.60
Canadian Broadcasting Corporation	April 30, 1986	Legal advice in respect to labour negotiations	1,136.50
	July 21, 1986		4,478.25
	January 2, 1987		1,057.08
Consumer and Corporate Affairs	Between June 11, 1986 and November 27, 1986	Legal services	25,965.00
			9,770.11
Federal Business Development Bank	July 9, 1986	Corporate counsel/research/opinions Corporate Finance	52,609.36
	Ocober 2, 1986	Corporate counsel/research/opinions Corporate Finance	42,517.54
	December 18, 1986	Corporate counsel/research/opinions Corporate Finance	49,865.98
	April 23, 1987	Corporate counsel/research/opinions Corporate Finance	23,130.45
	July 3, 1987	Corporate counsel/research/opinions Corporate Finance	32,895.95
	October 5, 1987	Corporate counsel/research/opinions Corporate Finance	24,712.28
	January 18, 1988	Corporate counsel/research/opinions Corporate Finance	4,552.76
	March 28, 1988	Corporate counsel/research/opinions Corporate Finance	7,606.88
	August 11, 1988	Corporate counsel/research/opinions Corporate Finance	13,784.55
	January 30, 1989	Corporate counsel/research/opinions	1,880.00
	April 7, 1989	Corporate counsel/research/opinions	3,202.54
	August 4, 1989	Corporate counsel/research/opinions	5,200.00
	October 12, 1989	Corporate counsel/research/opinions	3,444.60
National Revenue, Taxation	September 1989	Costs paid to taxpayer's counsel pursuant to court order	444.00
Petro–Canada	1986	For inherited and continued services on human resources matters—acquisition	2,200.00
	1987		3,500.00
	1989		1,700.00
Prime Minister's and Privy Council Offices	January 21, 1988	Professional services	24,862.86

Regional Industrial Expansion	December 15, 1986	Legal services	5,537.75
	March 19, 1987		10,082.64
	October 21, 1987		426.82
The St. Lawrence Seaway Authority	June 9, 1986	Consulting services	7,994.76
	August 5, 1986	Consulting services	6,187.50
	August 5, 1986	Consulting services	10,441.25
	September 5, 1986	Consulting services	5,355.20
	September 9, 1986	Consulting services	11,708.67
	October 29, 1986	Consulting services	7,682.48
	December 10, 1986	Consulting services	7,700.17
	March 3, 1987	Consulting services	12,761.52
	March 30, 1987	Consulting services	10,653.64
	July 14, 1987	Consulting services	7,861.56
	September 28, 1987	Consulting services	10,838.42
	November 23, 1987	Consulting services	11,544.32
	December 16, 1987	Consulting services	1,898.44
	July 8, 1986	Legal services—litigation	6,050.66
	September 4, 1986	Legal services—litigation	10,118.54
	September 9, 1986	Legal services—litigation	8,088.77
	October 15, 1986	Legal services—litigation	11,969.60
	November 13, 1986	Legal services—litigation	12,198.16
	January 9, 1987	Legal services—litigation	19,535.73
	February 5, 1987	Legal services—litigation	14,741.26
	March 18, 1987	Legal services—litigation	24,753.13
	May 11, 1987	Legal services—litigation	16,428.71
	June 16, 1987	Legal services—litigation	5,215.29
	September 2, 1987 (3 payments)	Legal services—litigation	14,974.58
	November 23, 1987	Legal services—litigation	8,585.83
	January 27, 1988	Legal services—litigation	4,833.91
	January 28, 1988	Legal services—litigation	25,286.17
	February 8, 1988	Legal services—litigation	9,692.13
Telefilm Canada	October 1987	Professional services from Nov. 18, 1986 to Dec. 31, 1986—corporate matter	1,508.50
Via Rail Canada	June 26, 1986	Legal services—litigation and legal opinions	137.50
	September 16, 1986	Legal services—litigation and legal opinions	2,009.75
	November 10, 1986	Legal services—litigation and legal opinions	582.18
	January 21, 1987	Legal services—litigation and legal opinions	509.50
	May 25, 1987	Legal services—litigation and legal opinions	50.00
	September 21, 1987	Legal services—litigation and legal opinions	4,200.00
	September 22, 1987	Legal services—litigation and legal opinions	3,874.74
	January 12, 1988	Legal services—litigation and legal opinions	4,705.41
	February 16, 1988	Legal services—litigation and legal opinions	45.65
	October 30, 1988	Legal services—litigation and legal opinions	1,079.69

Other Departments, Agencies and Crown Corporations have no information on this subject.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): The questions as enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

INTEGRATED CIRCUIT TOPOGRAPHY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Blais that Bill C–57, an act to provide for the protection of integrated circuit topographies and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate on behalf of my caucus in what is a very important debate.

We have been chuckling to ourselves this morning in the House about the technical nature of the integrated circuits and what have you, but a remark of the Parliamentary Secretary to the Minister for Consumer and Corporate Affairs during his presentation this morning made me think. In fact I asked him whether it was a play on words when he talked about crystal clear.

The reality is that we have gone far in this world and in this country in particular in the development and utilization of technology. We have gone from crystal radio sets, which I remember putting together as a young child, with vacuum tubes and transistors, and then into very rudimentary integrated circuits. Now we are into circuits which are so complex and so powerful that they need the protection of law. With the amount of time, energy and resources put into the development of a circuit, we need the ability in law to protect the person or the company that did it from theft of the idea.

I say that my caucus supports this particular legislation, Bill C–57. I am very pleased that this bill is before the House to extend intellectual property rights to a scientific community which has been waiting for this bill for many years. We had anticipated that these measures would have been included in the much anticipated phase two of copyright reform. Instead of doing it piecemeal on a specific area, we should have had phase 2 brought forward so that we can deal in a proper way with copyright.

It has been five years since the government promised to reform copyright laws. As far as we know, it has only gone a quarter of the way. Even now, there are still some problems that have been created. What the government brought in was a package of the least controversial aspects of what is a very difficult issue. I make no bones about that.

We are concerned that the government seems incapable of managing a solution to the very real problems of copyright reform. It seems content to leave Canadian schools, artists, users and creators in a legislative no–man's land, or should I say, no–person's land, while it dithers over copyright.

I will not take very long, but there are some things I want to put on the record. This act seeks to provide intellectual property protection to the topography of integrated circuits or ICs, as they are known in the industry, known commonly as chips or semi–conductor chips.

I was interested to find that there are 25 Canadian companies that design and/or produce chips. In 1989, Canadian production of IC products was estimated at $300 million.

The Canadian industry is involved primarily in the design and fabrication of customized and semi–customized chips. It is especially so in producing IC products for the telecommunications industry, one in which Canada is a world leader. It is an industry that has a chance to grow in the regions of this country, and no longer has to be located in the golden horseshoe of southern Ontario or the industrial areas of Quebec. It can be located in the Atikokans of the world, or the Sioux Lookouts, and communicate directly by satellite to provide services.

This industry is involved in the production of leading edge technology and high value–added products. Canadian firms producing semi–conductors need to be protected. At least 15 nations, including the United States, Japan, various European nations and the Nordic countries have provided specific intellectual property protection for semi–conductor chips.

We will give our full support to this bill but we want to take this opportunity to remind the government that it has not helped other leading edge Canadian firms such as Connaught and Lumonics.

The electronic circuits of an IC product are contained in a three–dimensional hill and valley configuration known as a topography.

This bill will provide protection to the design of the topography rather than to the functions performed by the circuit or the circuit itself. The act will provide protection to owners of rights by giving them exclusive statutory rights to control certain actions. The legislation will provide exclusive rights with regard to the unauthorized copying of a protected topography or substantial part of it; the unauthorized manufacturing of an IC product incorporating the topography or a substantial part of it; the importation or commercial exploitation, which includes a sale lease offering or exhibiting for sale, lease or commercial distribution of a topography or a substantial part of it, or of an IC product which embodies a protected topography or a substantial part of it and, finally, the importation or commercial exploitation of an industrial article which incorporates an IC product that embodies a protective topography or a substantial part of it.

The exemptions to this protection are that the owner of a product will have no control over its use, sale, rental or redistribution once it is sold. Unauthorized copying is permitted for the purposes of teaching and research and it is permitted in the process of taking apart an IC to design a new topography. This act will protect chip technologies for up to 10 years.

One of the things that may occur in the committee stage of this legislation is a specific review of those exemptions to see whether, irrespective of the consultation process that has gone on to bring forward legislation, there are still aspects of those exemptions that perhaps need some tightening up. I do not have any specifics, but it is a question I raise in the context of second reading debate.

Finally, we are encouraged that the government is moving to protect Canadian industries on the leading edge of new technologies. This is also another opportunity to once again highlight the government's lack of action in protecting firms like Connaught and Lumonics, which I mentioned earlier.

• (1230)

In both cases, the arguments were made by the government and the business community that both firms needed infusion of capital to continue to do their research and development efforts. They were both sold to foreign firms. It does not matter which foreign firms they were sold to. The fact that they were sold to interests outside Canada is the key element. It was done so because it was argued that Canadian buyers could not be found.

If the Government of Canada is serious about ensuring that these leading edge industries remain competitive and innovative, then its needs to find domestic sources of capital to ensure that we retain control over these vital economic resources. If we do not take those steps, all the copyright legislation in the world will not protect Canadian designers and inventors, because they will not be here. They will be in the United States.

Remember what happened with the Avro Arrow? We lost our leading edge in the aviation industry as a result of another Conservative government. We lost the human resources that were involved in the development of that product. We are seeing it happen time and time again.

It is great to provide copyright legislation to protect the leading edge industries in the IC field, but at the same time we have to make sure that we have the economic protection so that we do not see those inventions or creations never happening here in Canada again.

That is my contribution on behalf of my caucus. I look forward to completing the second reading debate and moving on to other matters.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would reiterate the position taken by my colleague that the Liberal caucus supports this bill in principle, although there will undoubtedly be a serious discussion on the details of the legislation at committee stage, if our experience with Bill C–60, the copyright bill, is an experience upon which one can rely. There were so many amendments that I lost track of the numbers. There were well above 50 or 60 amendments.

It is extremely important and I argued this at the time of the copyright bill, which had been five and a half years in development and perhaps many years before that, that the Minister of Consumer and Corporate Affairs, the present House leader, should have taken more interest in his part of the bill. It was a shared bill between communications and culture and the minister. He paid no attention to the fact that in this world of rapidly changing technology, the semi–conductor chip was one of the most important and key elements to be reviewed and revised under the copyright law.

The minister did not see fit to pay attention to his duties and so it went unattended to. Here we are with little patchwork quilts coming in. There are major areas of copyright legislation that are uncovered. For example, there is the whole question of our educators and the problems that they are facing, and school children and

teachers in the classrooms or in the libraries reprography photocopying which, according to this bill or the old bill, is against the law, and they are subject to fines. I wonder what is going to happen with this bill.

I would caution anyone who presumes to think that they can put this into a legislative committee and it will be a one, two, three affair. The semi-conductor chip has a memory. It is an integrated circuit of topography. It is key and vital to the industry. In my own riding, Paramax is very well known for its role in the development of high technology in the telecommunication field. I have been very impressed with what they are able to do.

I would like to tell the minister and the members of this House that there is a great amount of work that has been done in the field of cable and broadcasting technology. You just have to go and see what Videotron has developed in the way of Videoway. We must protect these people, and consider what will happen if we allow our borders to be open to American and foreign interests without considering the Canadian potential for this wonderfully growing field of great technology. We have been leaders in the past and with research and development we will be leaders again in the future, as long as we protect our interests.

It is about time this government recognized what can be done in the field of technology, but how important well written copyright is.

I caution the government and I suggest that it pay a great deal of attention and care and bring in phase two. Why is it leaving our people in contempt of court? Let us know what to do about spontaneous news. Let us know what the exemptions are under reprography rights and let us not put people in jeopardy. It is not fair to our children, it is not fair to our educators and it will not be fair to our businessmen.

I would suggest a quick look at this bill because there is a very serious error in one of the clauses which allows, indeed encourages, increased foreign presence in the Canadian market in this particular field, and I think this is a serious issue. I would say to you, Positron, in my riding, watch this bill. I would say to you, Videotron, in the cable industry with the most exciting new technology, watch this bill. Come and read it and compare it with the old act and make sure that the intellectual property is properly protected.

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

Some hon. members: Agreed.

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

The Acting Speaker (Mr. Paproski): I believe there is agreement to call it three o'clock.

It being 12.37 p.m., this House stands adjourned until Monday next at one o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 12.37 p.m.

HOUSE OF COMMONS

Monday, March 12, 1990

The House met at 1 p.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

SALVATION ARMY ACT, 1989

MEASURE TO ENACT

The House proceeded to the consideration of Bill S-9, an act to amalgamate the two corporations known, respectively, as "The Governing Council of The Salvation Army, Canada East" and "The Governing Council of The Salvation Army, Canada West", and to make necessary provisions regarding the charter of the amalgamated corporation, as reported (with an amendment) from a legislative committee.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I have advised both opposition parties that the hon. member in whose name this bill is has been unavoidably detained by airplane schedules. I ask the consent of the House to move this particular bill so that we can proceed with debate today.

Mr. Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Cooper (for Mr. Cole) moved that Bill S-9, as amended, be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Cooper (for Mr. Cole) moved that the bill be read the third time and passed.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to take this opportunity to make some comments on this particular bill.

The organization that is the subject of this particular bill is represented very strongly across Canada. In fact, I did some research on its background. It is a very rich background that I will not go through here, although I think it is worth while to recall some of the dates involved, to give some indication of just how steeped in our history the organization called The Salvation Army is.

It first came to Canada in 1882. It was introduced by a group of very dedicated people. The corps first really sprung up in smaller towns in Ontario.

• (1310)

As an indication of the kind of movement that the Salvation Army had, just five years later the religion, as I would prefer to call it, was being practised from Victoria, British Columbia to St. John's, Newfoundland. In relative terms, that was a very short time for a religion or a particular movement to spread across any country.

There are a number of milestones worth pointing out. In 1886, the organization was a rescue home for fallen girls, as it was called. In 1891, the Salvation Army opened its first prison-gate home. In 1905, a Salvation Army officer became the first Dominion Parole Officer.

This is an organization of great stature in our country. Today, the Salvation Army maintains both a social and a religious or evangelical purpose. It is a recognized church with close to 130,000 members.

In my travels across Canada, in the Bermuda area and other parts of the world, I have been very impressed with the kind of work the Salvation Army does. If I may be permitted a personal aside, the very first duty I had to perform after being elected in the riding of Bonavista—Trinity—Conception was to attend a dinner given by the

Salvation Army in my hometown of Bonavista. It was at that dinner that I committed my assistance to the movement and some of the projects it is interested in because of my belief, faith, and the way I have been touched by what it has done in its time in Canada, especially in the smaller villages and towns of Newfoundland where the movement is particularly strong.

Across Canada there are parole supervision agencies, the well-known Harbour Light Centre for alcoholics, Sunset Lodges, Grace Hospitals, fresh air camps for youngsters and programs for drug addicts. In my riding there are two camps which the Salvation Army through hard work has put together. It continues to supervise the youth activities. In fact, some of these camps double for activities which involve senior citizens and other like organizations of a recreational nature.

To summarize, the indication that the Salvation Army has put across is that it is a willing hand in a time of need. I am familiar, as I am sure anybody who has been associated with the organization is, with its motto, "With heart to God and hand to man". I think all of us have a lot of time for the kind of work that this particular organization does. It is for that reason that it has such great stature in our country.

My concern in reviewing the information that I had on this bill was that we simply did not make amendments to an existing organization that could come back and perhaps make life difficult for the Salvation Army. I just had to review for my own benefit precisely what this amendment was doing.

The Salvation Army as a church has what is called the core managing board, which does not have the ownership of the property within which it performs its function. All that ownership rests with the corporation which is called the governing council of the Salvation Army. In simplistic terms, I understand that this council has to be set up in order to have ownership of the property and the many organizations which represent real estate to which I have made reference. This is opposed to the Salvation Army movement itself, which as a religious movement would not have title to these particular properties.

The governing council was split in two in 1916 when there was formed a separate territory called the Canada West in Winnipeg, which was a special regional organization.

In 1930, because of severe economic conditions and, once more, because of the business of trying to amalgamate and save administrative dollars, the army amalgamated this group. The senior leadership moved to one centre in Toronto without having made the change in the legislation.

In simple terms the legislation, as I understand it, has never caught up with the reality of the reorganization that took place in 1930. The officers of the governing council are the same for Canada West and Canada East. For purposes of tightening up the structure and ensuring the tidying up of the corporate legislative details, the Salvation Army brought forward this bill, which it hopes to see passed as soon as possible.

It is my privilege on behalf of my colleagues, and I hope all members of the House, to say that any reservations we had have been discharged. I hope that in passing this bill we will allow an organization that is running for the good of mankind to run a bit more smoothly from the administrative and legislative side. We are quite happy to proceed with this bill.

Mr. Cooper: Mr. Speaker, first, I would like to offer my appreciation to the hon. member for York—Simcoe who has worked so hard on this bill. It is very unfortunate that he got caught in the plane delays which affect every one of us who are here trying to serve this House. I appreciate his giving me the consent to proceed with the motion.

Second, on behalf of all members of this House, I wish to say how much we appreciate the work of the Salvation Army or, as it is more affectionately called, the Sally Ann. It has definitely created an attitude in this country of credibility, of kindness and a spirit that all of us would do well to imitate and reflect upon.

I often think of one soldier I talked to who is about as hard and cynical a man as I know who regularly referred so kindly to the Sally Ann officers who had cared for him and helped him during the times of war.

I also want to say that I appreciate the co-operation of both the Liberal and NDP members and how much they have helped us in proceeding with this bill. I know that the House does want to express to the Salvation Army our continued support for its work and our appreciation for what it does for so many Canadians who, from time to time have suffered hardship. It has demonstrated leadership.

On behalf of all of us in the House, I pay a special thanks to the Salvation Army. We are honoured to be able to proceed with this bill.

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

Some Hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): I will suspend the sitting until two o'clock this day.

At 1.18 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EMPLOYMENT

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, Canadians have had it with the government's misguided industrial policy that makes them victims of a rather perverse economic strategy. More workers lost their jobs through layoffs last year than in any other year since 1982. That alarming increase in plant closings means that over 9,700 jobs lost last year will be gone for good.

Moreover, anticipated workforce reductions is greater than in any similar period during the last decade. To make matters worse, new jobs in generally low paying service sectors accounted for 93.7 per cent of all jobs created.

More and more Canadians are forced to take on additional part-time jobs to make ends meet. Those holding such jobs increased by over 45 per cent in the last 10 years. Good jobs are being lost and little is being done to replace them.

The 550 workers at Inglis in Toronto are a case in point. Fewer than 100 have found jobs since the plant moved operations to Ohio. Where are the adjustment policies for them? Where is the industrial strategy to reintegrate them into the economy? They and others want work. Why is the government deliberately creating conditions for increased unemployment?

[*Translation*]

ENVIRONMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, Canada has started implementing an environmental clean-up program in the Arctic.

About 5,000 old fuel drums were collected and shipped south, as part of the first clean-up phase.

General waste management practices in the Arctic are now being reviewed. The federal government will consider and test practical methods for waste reduction, waste treatment, incineration, recycling and waste removal.

There is a wide variety of activities in Canada's North isolated though it may be.

Environment Canada maintains a network of weather stations, air pollution monitoring posts and a national park reserve.

Now that research has shown that air pollution from the temperate zones is now contaminating the far North, Canada is trying to deal with pollution on a much broader scale.

For instance, the federal government has concluded co-operation agreements with the U.S.S.R. concerning the Arctic, reduction of air pollution and environmental problems in general.

Mr. Speaker, we are now working on a new agreement with all Arctic countries in order better to protect the environment in the North.

* * *

[*English*]

EMPLOYMENT

Mr. Ross Stevenson (Durham): Mr. Speaker, there was very good news from Ottawa for Canadians this past weekend. Because it was good news, it did not show in the headlines.

This February, employment increased and unemployment actually decreased to 7.7 per cent, even though February is usually a low point in the labour cycle. Two conclusions can be drawn from this. First, while Canadians may not be enjoying boom times right now, we have not had to face the severe recession that many have been predicting.

Second, we should all remember that when the previous Liberal government left office in September 1984, usually a month of maximum employment, the unemployment rate was 11.6 per cent. Now, the unemployment rate is down to 7.7 per cent in mid-winter. What this proves is that whatever the doomsayers and negative nigglers might say during Question Period, this government is following the proper economic course for Canadians. Also, any connection between headlines and reality is slim, at best.

* * *

FORESTRY

Mr. Rod Murphy (Churchill): Mr. Speaker, the most severe forest fires to hit Canada this century happened last summer in northern Manitoba. In all, 2.6 million hectares of land burned in Manitoba. Forests, lakes and wildlife population were all devastated. There were 23,000 people evacuated from their homes and communities. At that time, the Prime Minister went on record on television with an offer of generous help from Ottawa. He said Ottawa would help to cover the enormous cost of fighting fires and evacuating people.

I want Canadians to know that now that the bills are coming in, the Prime Minister is backing off. The fires in 1989 cost the people of Manitoba $72 million. Under normal disaster relief formulas, Ottawa should pay half of that cost, which amounts to over $36 million. Instead, the Prime Minister is offering to pay only $17 million.

What happened to the Prime Minister's generosity? Did it vanish when the cameras were turned off? There is no question that Ottawa should pay its fair and generous share of the cost of fighting last summer's fires as promised. The people of Manitoba, after all, are still watching and they will not forget.

* * *

STATUS OF WOMEN

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the Canadian Advisory Council on the Status of Women is holding its annual symposium today and tomorrow on the theme of Women's Place in the Economy. The President of the council says: "We are at a crisis point. Women are under siege". The President of the National Employment Network, calls this an anti-woman government on the attack to the feminist movement.

This is a good time to recall the record of this government on issues that keep women poor. A national day care program has been abandoned. Bill C-21 cuts unemployment benefits and hurts women disproportionately. The Minister responsible for the Status of Women refuses to accept an amendment that would have given equal access to training programs for women.

The government, which should be leading the way in enlightened employment and pay policies, instead is perpetuating sexual stereotyping and negative attitudes. It hurts women by withholding pension reforms that are its obligation under the Canadian Charter of Rights and Freedoms. For months it has left the Court Challenges Program in limbo. After cuts last year to women's programs, the latest blow is the slashing of federal funding to women's centres while hundreds of thousands of women across this country are beaten daily. Women are not deceived by empty rhetoric. They want action.

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[*Translation*]

SPORTS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the sports community is reacting to the "English-only" trend, and Quebec francophones involved in cross-country skiing feel very strongly they have been humiliated.

At a committee meeting, it was decided that from now on, Quebec would withdraw and stay away from all competitions, whatever their size, held in cities that had passed unilingual resolutions.

The city of Sault Ste. Marie, which has given the "English-only" trend new importance, hosted a Canadian championship two years ago. In the present circumstances, the winner, Pierre Harvey, would have been unable to take part.

The Quebec federation wants to remind the Canadian association it has a duty to ensure that Quebec is respected as a province. In future, it will be up to the executive to make sure it selects sites where our rights will not be trampled on.

Mr. Speaker, last summer I attended the Saskatoon Games where I saw a fantastic organization that functioned in both official languages.

* * *

GOODS AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I would like to draw the attention of the House to the fact that this week, throughout Canada, around the clock, Canadian men and women will dial 1-900-720-6052 to object to the goods and services tax.

I urge Canadians to support the national campaign against the goods and services tax which will take place from March 12 to March 16.

This telephone petition will enable all Canadians to vote against the GST and express their dissatisfaction. Vote massively againts the GST!

Say no to the GST by dialing 1-900-720-6052.

* * *

[*English*]

THE ENVIRONMENT

Mr. Ken Monteith (Elgin): Mr. Speaker, I would like to draw to the attention of the House the issue of acid rain. Last June the President of the United States, George Bush, introduced legislation that would see acid rain emissions from industrial sources cut back nearly half by the turn of the century.

More recently the United States stated in principle that they were ready to agree to that legislation after successful negotiations were completed between the White House and the Senate. This is only the latest in the long list of successes for our government since 1984 on the issue of acid rain.

Our own country set a prime example. Agreements were made with the provinces affected by acid rain to reduce sulphur dioxide emissions by 2.3 million tonnes per year. Lead is to be removed from gasoline emissions by December 1, 1990. New emission standards have reduced the amount of pollution from cars and trucks. The list goes on.

This is evidence that all the time and effort put forth by this government and especially by our Prime Minister to address this problem to the President of the United States is finally meeting with success. Only by Canadians and Americans working toward the common goal of acid rain reform can we realize a cleaner, healthier environment for all North Americans.

* * *

• (1410)

UNEMPLOYMENT INSURANCE

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, today my colleagues and I met with representatives of labour groups from across this country. They brought the message once again that the government's plan to destroy unemployment insurance will not be accepted.

The government's response to the Senate does nothing to respond to the serious concerns of people from across the country who have appeared before committee after committee.

Bill C-21 is bad legislation. At the very time when workers most need income protection, whether they live in Canso or Saskatoon, the government is cutting benefits and increasing hardships for thousands of families.

The Senate amendments do not go nearly far enough toward maintaining the kind of program this country so desperately needs. This government should listen to the people, do the honourable thing and withdraw this bill.

* * *

VETERANS AFFAIRS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I have heard from friends and fellow members of the Ogden Branch of the Royal Canadian Legion who support recent changes to the board and lodging charges for long term care for Canada's veterans. They know that these changes correct an inequity where the majority of veterans pay $240 a month while others pay nothing for the same service.

Veterans across the country will now be treated equally. Veterans with low incomes or disability will pay less than $240 a month or nothing at all. Veterans will continue to pay the lowest rate for long term care in Canada because the maximum amount is set at the lowest rate charged by any province. These changes do not affect veterans' pensions and allowances which continue to be generous and fully indexed. For example, married veterans are guaranteed $1,185 a month before deductions, and single veterans are guaranteed $585 a month before deductions. Veterans also receive Old Age

Security and, if they are eligible, Canada Pension Plan benefits.

I am proud to acknowledge that no nation—

Mr. Speaker: The hon. member's time has expired.

* * *

GOODS AND SERVICES TAX

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, Canadians can now vote against the proposed goods and services tax. Starting today the Liberal party is calling on all Canadians to join a week long electronic telephone campaign against the imposition of this regressive and obscene tax grab.

You can register your opposition to the GST by dialing the anti-GST hot line, 1-900-720-6052, 24 hours a day from today until Friday, March 16. For a mere 50 cent toll charge Canadians can personally count themselves in to the growing movement across this country that is saying no to this unprecedented raid on their pockets.

The Liberal party is now giving Canadians from coast to coast an opportunity to tell this government once more with feeling "Axe this tax". Just dial the anti-GST hot line at 1-900-720-6052. That is 1-900-720-6052. Do it today!

* * *

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, more and more Canadians are starting to ask the very simple question: where does the Liberal Party stand in terms of the GST if they are elected after the next election campaign? We have one candidate who says she will scrap the tax. There is one candidate who says a flat tax. There is one candidate, Jean Chrétien, who says: "Well, I don't know what I would do". Now, according to the *Winnipeg Free Press*, there is a prominent Liberal leadership candidate who says he would retain the GST. "It would be irresponsible to repeal the tax at that point", says Tom Wappel, a leadership candidate for the Liberal Party of Canada.

Mr. Speaker, I suggest Canadians should telephone the Leader of the Opposition's office to ask where the Liberal party stands on the GST. The phone number is Area Code 613, number 996-5084. Call the Leader of the Opposition. Ask where to call.

* * *

COMMONWEALTH DAY

Mr. Girve Fretz (Erie): Mr. Speaker, today we celebrate Commonwealth Day and it is very fitting that we welcome the joining of Namibia on March 21 as the fiftieth member of the Commonwealth.

Her Majesty, The Queen, is head of the Commonwealth. I would like to read two brief paragraphs from her message:

> Every year, when we celebrate Commonwealth Day, it reminds me that we are celebrating something which is quite unique. Nothing quite like the Commonwealth has ever been created or evolved before. Its comparative lack of rules, its human richness and its geographical diversity, make the Commonwealth as hard to define as it is easy to criticize—it appeals to the young as much as to the old, to peoples and nations at all phases of political, economic, cultural and social development, to reformers and lovers of tradition alike.
>
> On Commonwealth Day especially we greet each other as members of the biggest and most unusual family on earth.

ORAL QUESTION PERIOD

[*English*]

SCIENCE AND TECHNOLOGY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Acting Prime Minister and it relates to the government's policy for improving Canada's science and technology performance, in particular the role to be played by the National Research Council of Canada.

The new president of the NRC wrote last month to the Chair of the Science Council that the National Research Council: "intends to limit its involvement in basic research—to that required to maintain a minimal scientific insurance policy for the nation".

Does the Acting Prime Minister agree with his new NRC president that the NRC should play a minimal role in science and, at this time in Canada's history, why is the government forcing the NRC to play such a minimal role?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the government is not forcing the National Research Council to do anything. The National Research Council is doing exactly what it should do. It should review its mandate from time to time. It should recog-

nize that universities now exist and are the main thrust for basic scientific work in this country. The National Research Council will do what is required in terms of basic research so that it can fulfil its general mandate to support science and technology in this country.

Mr. John Manley (Ottawa South): I hope the minister has heard about the transfer cuts.

[*Translation*]

Mr. Speaker, in the same letter, Dr. Perron, president of the NRC, proposes a policy and strategy for privatization of the National Research Council. Is the government prepared to let the National Research Council be privatized?

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the National Research Council of Canada is not going to be privatized.

I think what may hurt my colleague so much is that the National Research Council of Canada is prepared to sell some of its services to industry if industry wants to buy it. That seems to me to be a good deal.

Mr. John Manley (Ottawa South): Mr. Speaker, if that is the policy of the government, I suggest that the minister head the president of the NRC off at the pass when he is writing letters that say he is proposing a policy of privatization.

As recently as the budget last month, the government cut science and technology spending by $39 million and cut transfer payments for post-secondary education by over $2 billion. Canadians are left wondering what has happened to the Prime Minister's promise of increasing Canada's R and D spending to 2.5 per cent of Gross Domestic Product?

Does the government still intend to fulfil the Prime Minister's promise to increase R and D spending to 2.5 per cent and, if so, can the government explain how it intends to increase R and D performance while cutting spending?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the hon. member knows as well as anyone in this House that if we are going to increase R and D total spending in this country, industry must pick up a fair part of it. Let me remind the hon. member that in 1980, the government of the day was spending, excluding debt payments, 4.65 per cent of total program spending on science and technology. That government let that run down to 4.46 per cent. This government brought it back up to 4.89 per cent, the highest it has been in 10 years.

Some Hon. Members: Hear, hear!

* * *

• (1420)

LITHUANIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and pertains to the historical events happening in Lithuania.

It is clear that the situation in the Baltic States is very different, indeed very unique from that of the other republics in the Soviet Union. Successive governments have refused to recognize the illegal annexation of those states.

Will the minister bring a long-standing policy of non-recognition to its logical conclusion by supporting an all-party resolution that recognizes Lithuania as a fully independent, sovereign republic? I can tell the minister that I have had discussions with the hon. member for Winnipeg Transcona and he, on behalf of his party, would be willing to support such a resolution.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have had an opportunity to look at the resolution that was proposed by the hon. member and the member for Winnipeg Transcona. Certainly, that would be a resolution that would be acceptable to me and to members of the government.

We join with the hon. member in recognizing as historic the democratic decision that has been taken by the people of Lithuania, and now by their Parliament. The position of the Government of Canada, as he has correctly said, has been to recognize the political sovereignty of Lithuania.

We now enter into a very important phase in which there will be a discussion as to how the *de facto* occupation by the Soviet Union will come to an end.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I thank the minister for that co-operation and leadership. I am wondering if he could go a step further because yesterday my riding which was linked by telephone to Vilnius where the newly elected Lithuanian Parliament voted unanimously to change the Lithuanian Soviet Socialist Republic to become the independent democratic Republic of Lithuania.

In addition to the resolution, would the minister today give full recognition to the Republic of Lithuania by giving it full diplomatic recognition?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House was pleased that the hon. member, his colleague from Winnipeg Transcona, and the member for Scarborough Centre were able, in private capacities, to be in Lithuania to watch the elections and report back to their caucuses.

I have had some conversations with some of the members respecting those developments. This is an historic day. I have discussed with Soviet leaders, prior to the vote, the attitude that they would take.

I have received specifically from Mr. Shevardnadze can undertaking that there would be no crackdown. I think all members of the House would agree that we should encourage the Soviet Union and Lithuania to move as speedily as possible toward a situation which recognizes the *de facto* and *de jure* sovereignty and independence of Lithuania.

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SCIENCE

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is for the Minister for Science who has been recently elevated, for which I congratulate him.

I wonder if he would elevate himself to answer this question. The Prime Minister is to receive an award tonight for scientific leadership from the Weizmann Institute.

Some Hon. Members: Hear, hear!

Mr. McCurdy: Mr. Speaker, those on the other side seem well informed. Perhaps they can tell us why this award was received. Is it for cutting Canadian expenditures for research as a percentage of the Gross Domestic Product from 1.4 per cent in 1985 to 1.32 per cent in 1989? Is it for cutting the government's share of science and technology expenditures by 4 per cent over four years? Or is it for cutting the EPF transfers in support of universities? Which of these constitutes scientific leadership?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I thank the hon. member for his congratulations. In turn, I would like to congratulate the Prime Minister on receiving this award.

There are no doubt many reasons why the institute decided to award the Prime Minister this distinguished award, many of them no doubt are centred on the fact that this is a Prime Minister who established the National Advisory Board on Science and Technology and chairs it for the first time ever in Canadian history.

This is the Prime Minister who, working with that board, established the Canada Scholarship Program, the Centres of Excellence Program, and who managed to put in $350 million or more into the industry-university matching grant program. This is the Prime Minister who ensured, as I said to my hon. colleague just a moment ago, that we went from 4.46 per cent in 1984 to 4.89 per cent of total program expenditure on science and technology in 1989. That is not a bad record.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the quality of excuses is not strained, and I can understand why there was such a lack of enthusiasm on the other side with respect to the award. But let us look at the record.

On February 8, the parliamentary secretary to the hon. minister promised that there would be no new cut-backs at NRC.

An Hon. Member: What is the supplementary?

Mr. McCurdy: Do not get too agitated over there, you will get your turn some other time. We have a document to which my colleague in the Official Opposition referred which states that in this correspondence between the head of the NRC and the former head of the Science Council the next five year plan for NRC will propose a strategy of privatization and divestiture and planned reductions in permanent employees at NRC. How can he reconcile that to the statement of the parliamentary secretary to the hon. minister and to any significant thrust in the direction of building up Canada's R and D capacity?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I think my hon. colleague makes the same mistake that many others do: if you cannot build it up in an government institution, then it does not count. There are many things that NRC does that could be done equally as well outside NRC. There are many things that NRC has been doing over the past 30 years that can best be done some place else. That is exactly what they are looking at.

I am amazed that the opposition does not want to see the National Research Council look at its future in terms of the reality of the present, but then it has never been one to face reality.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, unfortunately, the minister's problem is that we understand and all of Canada understands what is going on in terms of science policy in this government. In fact, what he sees in the future is a past which is a good deal lesser in terms of expenditures and resources provided to NRC.

The new five-year plan proposes "—a limited amount of basic research at NRC". We already know that basic research funding in the universities has been suffering significantly. Where is it going to transfer it to? To save money at NRC—

Mr. Speaker: The hon. minister.

Hon. William C. Winegard (Minister for Science): Again, Mr. Speaker, the hon. member does not realize that the funding for the granting councils has gone up this year. The funding for the university research granting councils was one of the things that went up as they were supposed to. They are up 8.6 per cent this coming year. They have gone up every year since the government came into power. They will continue to be treated well on the research front.

* * *

[*Translation*]

MEECH LAKE ACCORD

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister, but in his absence, I shall direct it to the Deputy Prime Minister.

Last Friday, we saw the good will of the House to the Meech Lake Accord. The Prime Minister said last week that there was nothing more he could do to save the Meech Lake Accord, and the Premier of Newfoundland, Clyde Wells, said that after consultations, he had discovered that there were no consultations, contrary to what the Deputy Prime Minister told us last Friday. I would therefore like to know whether the Prime Minister is doing something to save the Meech Lake Accord. If not, is he now prepared to enter into consultations and to schedule a meeting with all his fellow first ministers to try to save the Meech Lake Accord?

• (1430)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated to the House on Friday, the Prime Minister, Senator Murray and indeed federal officials are working very hard on this particular issue. There is serious work that is going on.

I indicated last Friday that until such time as there appeared to be some move toward greater consensus among the divergent views of the three opposing provinces it would seem rather untimely to bring all the ministers together under the auspices of a First Ministers' Conference. That has certainly not been ruled out. It was not ruled out on Friday, and it is not ruled out today.

We hope that during the course of the discussions which will be ongoing that progress will be made. If sufficient progress is made that would result in bringing about a greater degree of consensus, to the point that perhaps it would be useful to bring all the ministers together in a formalized way, that is certainly a matter that is being considered.

Hon. Bob Kaplan (York Centre): Mr. Speaker, it seems that the Deputy Prime Minister is being contradicted by the Prime Minister himself, who said last week that he had done everything that he could and that there was nothing further that he could do. The Deputy Prime Minister is saying that there are consultations going on.

Can he assure us that in spite of what the Prime Minister said last week he is in fact leading these discussions and he is prepared to call his colleagues, the first ministers, together to try to save Lake Meech? To us it looks as if the Prime Minister is waiting to create a crisis or until a crisis emerges, and we do not want that to be the case.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, let me make this abundantly clear. I think that all members of this House, including the hon. member's leader, the leader of the New Democratic Party, the chief spokesman for the New Democratic Party and members on this side of the House, would agree that the Prime Minister has provided outstanding leadership on this particular issue.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I could get political but this thing is too important, Mr. Speaker. The Prime Minister is still providing leadership and, in close consultation with all the key players in this particular issue, he is attempting to work toward bringing about a greater consensus and hopefully some form of an accommodation that will move the Meech Lake Accord ahead.

I do not share the pessimism the hon. member displays with respect to the question that he put. I can assure the hon. member that the senator, federal officials, the Prime Minister, the Prime Minister's office and other members of cabinet are working very hard to make progress in this particular area, and I am convinced that we will.

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GOODS AND SERVICES TAX

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is for the Minister of National Revenue and concerns the conflicting stories about GST police.

On Friday, the minister denied that this department was recruiting a large number of RCMP officers as GST police. Yet, on the same day, Mr. Bob Quinn, a spokesman for the minister's department, confirmed that several hundred investigators were being recruited.

Was the minister aware of the bulletin circulated by his department recruiting RCMP officers for the GST and, if he was, why did he deny this information on Friday?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, we have asked two former RCMP officers to come and help us set up a unit that will look out for any potential tax fraud possibilities within GST, as within any tax system anywhere in the world from the day the taxes came into being in this country and around the world.

I want to make it very clear that the bulletin to which the hon. member refers is a normal letter that we sent out in December, I believe, to the RCMP, asking it to provide us with names so that we could hire two people on a six-month basis to set up this unit.

I want to make it clear that the unit is strictly for the protection of the majority of Canadians for the reasons that the Minister of Finance outlined on Friday. There will be no tax police. That may have been the case in previous governments before the introduction of the taxpayers' bill of rights. That is not the case today.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my supplementary question is for the same minister.

I refer again to the statement from Mr. Bob Quinn, a spokesman from the minister's department who confirmed that several hundred investigators were being recruited.

Why should we believe this minister who obviously is contradicted—

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. member is stretching the question a little bit. I ask him to put the question briefly.

Mr. Pickard: There are conflicting pieces of information on how many people will be hired as investigators. Why is there conflicting information in this minister's department?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, there is no conflicting reporting in this department. The only conflict appears to be between the ears of the hon. member who just asked the question.

As the Minister of National Revenue I am telling this member, this House and Canadians that there will be no tax police. There is going to be an investigations unit, as any tax system in the whole world must have, for the various reasons outlined by the Minister of Finance and others on Friday and in the past and which I am confirming here today.

However, I am telling this member and this House that we have only asked for support on a six-month basis from two former RCMP officers to set up this unit.

There will be no tax police. I cannot make it any clearer than that.

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EMPLOYMENT

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Today I met with representatives of labour groups from across the country, a coalition representing four million people who were denied an audience with the minister, no doubt because they oppose the minister's plan to privatize the unemployment insurance program. This is just another symptom of the government's insensitivity to its critics and the real problems facing Canadians.

For example, the minister is well aware of the crisis—

Mr. Speaker: I would ask the hon. member to put his question.

Mr. Fisher: Can the minister not understand that the Atlantic cannot afford to lose this support? Will she withdraw Bill C-21 today?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, not only will I not withdraw the bill, but the hon. member is clearly out of touch.

I quote from *The Evening News* of New Glasgow, Nova Scotia, which points out that the proposed new legislation is sensitive to the various regions of Canada. "We have been questioning for a number of years now the actual value of the Canadian Senate and the huge price tag that goes with it. The new UI legislation is far from perfect but few government programs are. By delaying the matter any longer the Senate is only hurting average Canadians from coast to coast".

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the same minister. It is fairly obvious that the minister can score very high points around this place for being the best dressed female MP, but she does not score very high points—

Some Hon. Members: Order, order!

Mr. Speaker: The hon. member for Hamilton West.

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HAMILTON HARBOUR COMMISSION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is directed to the Minister of Transport.

By his own admission outside the House, the Minister of Transport said he was not aware of the facts which called into question the blatant conflict of interest the chairman of the Harbour Commission has put himself in.

An Hon. Member: That is last week's news.

Mr. Keyes: An hon. member next to me says that it was last week's news when his own minister did not know what I was talking about.

Now that he has made his inquiries, does he agree that the Prime Minister's appointee to the Harbour Commission must either resign his appointment or give up the listings on the property that the Harbour Commission is interested in buying?

• (1440)

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, this is the third day in a row that my hon. friend has chosen to raise this matter in the House rather than make his allegation outside. One should look very carefully at parliamentary privilege and treat it for what it is. It is a privilege not to be abused.

I said that I am reviewing the matter. I am reviewing the matter, and we will take the appropriate decision in the very near future.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, maybe I can help the minister along. The conflict is obvious to all. The harbour commissioner appointed by the Prime Minister cannot provide leadership as chairman and represent the real estate firm which is trying to sell land to the Harbour Commission. He cannot do both. He is in conflict.

The Prime Minister's own conflict of interest guidelines are being violated. The government's own act of Parliament is being superseded. Does the minister not agree that if he does not demand the resignation of the Harbour Commission chairman, the minister must request, at the very least, that the Auditor General investigate the relationship between the commission

chairman's real estate firm and the Harbour Commission?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, as I said we are looking into the matter. As far as the Auditor General's suggestion is concerned, I think one would find that the Auditor General does not go off on those types of investigations based on unfounded allegations.

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FISHERIES

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans.

We in Atlantic Canada have for a period of time been demanding compensation for the current fisheries crisis. The government promised financial aid consistent with the aid given to western farmers. The farm aid was taken from a special emergency fund.

If there is an aid package, will the money come from the emergency fund? If not, where will the money come from?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I am sorry but I did not get that question.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans.

We in Atlantic Canada have for a period of time been demanding compensation for the current fisheries crisis. The government promised aid consistent with the aid given to western farmers. The farmers' aid was taken from a special emergency fund.

If there is an aid package, will the money come from the emergency fund? If not, where will it come from?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, at this stage of the game I think it is more important to determine whether there will be a package than where the money will be coming from.

One thing is certain. When we came up with the first $130 million, members did not go around Atlantic Canada asking where it was coming from. When we come up with a response to the situation facing the fisheries in Atlantic Canada, if it requires funds they will be made available.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my supplementary question is for the same minister.

Would the minister avoid robbing Peter to pay Paul and guarantee that financial aid will come from new moneys and not moneys that are currently in place?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I will never rob Peter to give to Paul. I am not a Liberal.

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LITHUANIA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, as has already been brought to the attention of the House, there is an all-party agreement to pass a resolution recognizing the legitimate right of the Lithuanian people, as expressed by their elected representatives on March 11, to declare the independence of the Republic of Lithuania.

The right hon. Secretary of State for External Affairs mentioned in his response to an earlier question that he had spoken to Soviet leaders before this event. Has he an intention to speak to them now, after the event, and will he be communicating any formal message to the Soviet Union with respect to the Canadian position on Lithuania?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that is a very constructive suggestion. Whether or not I speak to Mr. Shevardnadze personally or directly, we will certainly communicate not only the decision of this Parliament, assuming the resolution discussed during Question Period is adopted by Parliament, but also some other comments that we think might be appropriate and helpful in achieving a situation where there is the *de facto* right of Lithuanians to control their destiny.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, will the minister be directing officials in his department to begin plans for economic co-operation and other relationships with Lithuania separate from the Soviet Union in the way that the department is now considering relationships with Poland, Hungary and other countries in east and central Europe?

Does he intend to give that sort of instruction to his department to lay the foundation for the day when this

independence is fully realized and economic co-operation with Lithuania which they will need can be established?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will certainly instruct my officials to take account of the historic developments which have come to fruition and to a point over the weekend and to do that in a way that contributes in as constructive a way as we can to the *de facto* exercise of sovereignty that may soon be a matter to which Canada can make some tangible contributions.

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FISHERIES

Mr. Girve Fretz (Erie): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Will the minister flex his muscles and do something about the zebra mussels which are infesting some of the Great Lakes, in particular Lake Erie, and Lake St. Clair?

They are plugging up some of the water intakes of the municipalities and also creating problems with the Walleye spawning beds in Lake Erie.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am happy to inform the hon. member that the Minister of Transport has issued new guidelines with respect to the dumping of ballast prior to ships entering the Great Lakes system. I am informed that these guidelines are being complied with much more effectively than they have been in the past.

We believe that if we can secure the co-operation of the ship owners and the ship captains in question it will do a great deal to reduce the amount of zebra mussels coming into the Great Lakes. That of course is very much in the interest of the ecology of the area.

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EMPLOYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Last week Denison Mines in Elliot Lake announced that it is going to be laying off 28 per cent of its workforce, some 450 people. This comes on top of the lay-offs announced recently by Rio Algom Mines where some 1,600 people will be laid off during the next 12 months.

Could the minister say what action plan the government has developed to cope with these lay-offs to assist the workers, the community and the families that are going to be so adversely affected by this bad news?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I understand the member's sensitivity to this issue. I know that his area like some others has been harder hit than the rest of Canada.

The industrial adjustment service people are working very closely with both Denison and Rio Algom, with management and with unions in both cases. The management people of Denison will be meeting with the unions and with other levels of government, as well as ourselves, to formulate some ongoing programs and to take advantage of some of the programs that we have.

This is a designated Community Futures area, as the hon. member knows, and we will be doing our best. There is of course additional funding available as a result of the new legislation on unemployment insurance.

• (1450)

Mr. Maurice Foster (Algoma): Mr. Speaker, I wonder if the minister knows that a community this size cannot lose over 50 per cent of its labour force without very extensive support from government.

Would the minister be willing to make a commitment today that the federal government would cost share with the provincial governments a special new action plan to save jobs, to create new jobs, and to provide for community adjustment?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, through FEDNOR there has been a number of plans developed in regions of northern Ontario that have run into particular economic difficulties. I am certainly quite prepared to discuss it with my colleague.

I should say as well that the programs we have in place in some of the other communities in northern Ontario have had a very positive impact. Nevertheless, I recognize that this is a serious situation for Elliot Lake. Between FEDNOR and my department there will be a

number of things that we will be able to approach them with.

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GOVERNMENT FUNDING

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance. The National Advisory Board on Science and Technology recommended to the Prime Minister doubling the budgets of the granting science councils.

Also, federal funding of Canadian universities stands to suffer if proposed freezing of transfer payments to provinces proceeds.

Now that the Prime Minister is about to receive an international award for science, is the minister prepared to double the budget of the granting councils and to reconsider his plans to freeze further transfer payments for post-secondary education before the Prime Minister accepts the science award?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, every scientist in this country knows that the granting councils have been treated very well indeed under existing circumstances. Their budgets are going up next year. We have done the matching fund with industry and universities, some $350 million over the time period. The granting councils were given a $200 million injection over a time period. They have had a stable financial regime for the first time over the last five years. That is not bad.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I have a supplementary question.

The minister responsible for science appears to deny the precarious situation of scientific research and education in Canada as assessed by the National Consortium of Scientific and Educational Societies.

If the government's five-year matching grants policy is allowed to terminate this year, NSERC's budget for 1991-92 will effectively be cut by $79 million.

Would the minister commit the government in the House today to renewing the matching grants policy?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, there are really two separate questions there. One is whether the funds that are in there for the matching grants will remain there. That is a question the Minister of Finance will have to consider next year. I think they will, but that is his problem.

The second question is whether that matching grant policy will be there. Does the hon. member really want this particular matching grant policy to stay in place? I don't because I don't think it is the right one. I want something else.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

As he knows, Nova Scotia Power Corporation plans to proceed with the Point Aconi coal fired electrical power plant. The project will produce acid rain as well as 1.5 million tonnes of carbon dioxide per year and $500 million in long-term debt.

Since this project has not been properly evaluated for either its environmental impact or the energy alternatives to it, is the minister prepared today to request that these two matters be evaluated before any further contracts or consideration of the project are made?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the Point Aconi plant is within the jurisdiction of the province of Nova Scotia. The province has specific environmental considerations within its jurisdiction. As well it has to deal with having constant and increased power needs.

In large measure the member's two-part question should be addressed to those provincial considerations.

Mr. Jim Fulton (Skeena): Mr. Speaker, many Canadians are starting to wonder how we are going to get a 20 per cent reduction in carbon dioxide levels by the year 2005 if these kinds of projects continue to proceed and are described as being solely in provincial jurisdiction.

The Government of Nova Scotia provided funding to the same study that the minister did, "Study on the Reduction of Energy Related Greenhouse Gas Emissions". The study found a variety of measures which (1) reduce carbon dioxide emissions, (2) save energy, and (3) save money, $150 billion for Canada.

Why is the minister not encouraging the province of Nova Scotia which could in fact have billions of dollars in net energy savings rather than $500 million plus in long-term debt? What is going on?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the member again is very selective in what he does. It is correct that ministers of energy asked for studies in respect to reduction of CO2 emissions. There was one study commissioned by the task force which made that claim, a claim which was turned down by the task force and its report to ministers. I think the member should first take a look at that.

Second, there are two points to make. Energy ministers will be meeting in Alberta on April 2, to look at these issues and at how we can move toward the targets relating back to the 1988 Toronto Conference.

I think it is also fair to Canadians that as we move toward those targets there has to be a blend. My colleague, the Minister of the Environment and I are concurrent on this issue, that is, what are the trade-offs? I think Canadians also have to know the trade-offs.

I say very directly to the hon member that I have heard his party and others—and that is valid—ask time after time what we are going to do about jobs, for instance in Cape Breton, and what we are going to do about the displacements we have in those economically depressed areas.

I am not going to accept a policy simply because some task force or some study rejected by the task force has said we can do it, before looking at what happens economically to those areas and to those Canadians as well. I do not think Canadians should expect any less from an energy minister than to do exactly that.

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GOODS AND SERVICES TAX

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Minister of National Revenue.

On Friday and again today there were questions put to him as to whether the government was hiring tax police to deal with the GST. I noted his earlier response, but my question relates to the process involved.

Will the process for dealing with tax investigation, any fraudulent activities relating to the GST, be any different under the GST process than it is now under the FMST or indeed under the Income Tax Act?

Is the minister proposing to do anything that would infringe on the Charter of Rights and Freedoms or indeed the taxpayers' bill of rights put forward by one of his predecessors, now the Minister of National Health and Welfare?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the short answer is no. We are taking precautionary measures against potential fraud, as is the case in any tax jurisdiction in this country and around the world. Any activities that we will be undertaking will be done in accordance with normal and regular procedures in this country. They will be done in accordance with the taxpayers' bill of rights. To do otherwise would be irresponsible.

* * *

EMPLOYMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, first of all I want to apologize to the Minister of Employment and Immigration if I said anything that was not correct.

An Hon. Member: A sexist comment.

Mr. Rodriguez: Yes, for my sexist comments. I withdraw those remarks.

The minister has heard from many Canadians in eastern Canada who have problems with Bill C-21, as well as from the west and northern Ontario. The bill has come back from the Senate and it contains some good suggestions, but a lot of Bill C-21 is unacceptable.

Is the minister prepared to introduce a new bill in the House that will include all those good things which have been approved by the Senate and which we and many Canadians support along with variable entrance requirements?

Will the minister introduce a new bill and forget about Bill C-21? Let it sit on the shelf.

• (1500)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am very interested in the hon. member supporting suggestions that were made in the other place. It is certainly a new approach for him.

I would also suggest that public support for Bill C–21 is really very strong across Canada. There is support from the public and this shows up in a number of ways. There is support for our plans to shift unemployment insurance funds from passive to more active programs.

The misconceptions that are out there have been helped by the hon. member and others in his party. When he sees what we come up with when we respond to the requests from the other place, I hope he will be satisfied and will support us in what we are doing.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

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

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HOUSE OF COMMONS

TABLING OF STANDING ORDERS

Mr. Speaker: I have the honour to table the Standing Orders of the House of Commons dated February, 1990, which contains an index and which reflects the changes adopted by the House on Friday, February 16, 1990.

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ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE OF APPOINTMENT

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, an Order in Council appointment which was made by the government. Pursuant to provisions of Standing Order 110(1), this is deemed referred to the Standing Committee on Labour, Employment and Immigration.

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COMMONWEALTH DAY

OBSERVANCE OF ANNIVERSARY

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, today I have the pleasure of joining with members from all sides of the House and one–quarter of the world's people in observing Commonwealth Day.

The modern Commonwealth has been central to the growth of Canada's role in the world and remains a key element in its external relations. It gives Canada partners in Asia and Africa with whom it shares a heritage of British political and legal traditions, and with whom it can communicate through the English language. It strengthens historical ties with the English–speaking Caribbean and widens ties in the Pacific. It deepens our understanding of the problems of developing countries and provides the opportunity to make an important contribution to technical and development assistance. It also provides inspiration for Canada to seek parallel institutions which would cement ties in the French–speaking world.

Canada's annual contribution of some $40 million to official Commonwealth organizations chiefly serves to assist developing and particularly the smaller countries of the Commonwealth. The Commonwealth connection facilitates Canada's own development aid program and the effective use of Canadian aid. In 1989–90, Canada will have directed close to $1 billion of bilateral and multilateral development assistance to some 50 Commonwealth countries or territories.

I also wish to draw special attention to the Commonwealth Distance Learning Agency based in Vancouver. This Commonwealth collaboration in distance education, created through a Canadian initiative at the 1987 Commonwealth heads of government meeting, promotes the exchange of information, training, technical assistance, and research in the application of distance education techniques at post–secondary and vocational levels in the developing Commonwealth countries.

The meeting of the Commonwealth heads of government in Kuala Lumpur last October reviewed the multi-faceted activities of the organization and addressed major international political and economic issues ranging from the situation in the Middle East to the world economic situation and the full integration of women in all aspects of economic, social and political life.

To further the Commonwealth's work toward gender equality, Canada will host the third meeting of Commonwealth Ministers Responsible for Women's Affairs. I am pleased and honoured to be able to welcome my counterparts from other countries to this meeting. In the spirit of Commonwealth co-operation, we will continue to work on issues such as structural adjustment and violence against women.

[*Translation*]

The meeting in Kuala Lumpur showed that the Commonwealth not only holds consultations on the major world issues but also takes concerted action to deal with them.

[*English*]

Considering recent events in South Africa, due credit has to be given to the leading role played by the Commonwealth in pressing for the opening that we are witnessing, particularly the unbanning of the African National Congress and the release of Nelson Mandela which we so heartily welcome. At Kuala Lumpur, heads of government expressed their hope for a negotiated and peaceful settlement in southern Africa and agreed to the maintenance of existing sanctions as a way of exerting continued pressure for fundamental political change.

I also want to take advantage of this occasion to praise the Canadian delegation which contributed so wonderfully to the enhancement of Canada's image at the recent Commonwealth Games in Auckland. I am particularly happy that Canada will remain active in this strengthening of Commonwealth sports through its participation and chairmanship in the working party that has been constituted by the Commonwealth Secretary-General. We look forward to hosting the 1994 Commonwealth Games in Victoria, British Columbia.

We all rejoice in the return of Pakistan to the Commonwealth last October, which can only strengthen Commonwealth collaborative action. In addition, Namibia's imminent entry, which will bring Commonwealth membership to 50, serves to reaffirm the value and relevance of the modern Commonwealth.

I have left to the end the tribute that I would like to pay to Secretary-General Ramphal. He will be relinquishing his post at the end of June after 15 years in office. Sonny Ramphal's leadership and devotion proudly strengthened the Commonwealth and its contribution to international stability, progress and justice. We are all in his debt and we wish him well.

Finally, I want to reiterate this government's support to Sonny Ramphal's successor, Chief Emeka Anyaoku, whose extensive record of effective service to the Commonwealth portends a mandate of achievement and success in the year's to come.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to deliver a statement on the Commonwealth on this special day of honouring it as an international organization.

The Commonwealth is a very unusual international organization. Once an empire, it has become an institution comprised of nearly one-quarter of the world's population. Almost every race, religious faith, culture and level of economic development can be found in the Commonwealth fold. Composed of 50 independent states, its members range from aligned to non-aligned and have all shades of ideological opinion.

The Commonwealth is an essentially multinational body of equal sovereign members with a common concern for international peace and a commitment to the economic development of member countries. Consultation and co-operation govern this association.

The Commonwealth's ties are informal and diverse. It possesses none of the attributes generally attached to an international political association. There is no constitution. The association does not encroach on the sovereignty of individual members, it has no common foreign policy and does not require its members to reach collective decisions or to take united action. There is nothing formally or legally binding the member states together.

Yet the Commonwealth is a very compatible organization. This can be traced to the fact that all member states were former British colonies in one way or another. Members share the basic traditions of respect for the

British parliamentary democracy, the rule of law and the rights of individuals and minorities.

The Commonwealth has been doing for years what similar organizations are just starting to accept and to implement. Members do not strive to solve political problems, but work towards reducing strains and easing tensions in order to provide a framework in which differences can begin to be reconciled. The Commonwealth if definitely given to practicality. It can deal as effectively with the great problems of the day as it can with everyday problems.

The heads of government in the Commonwealth meet on a regular basis. These meetings are often the testing grounds for ideas. The results of such meetings are often noteworthy. For instance, the Declaration of Commonwealth Principles and the establishment of a fund for technical co-operation in 1971, the Lusaka declaration of 1979 opposing racism and racial prejudice, and the Melbourne declaration of 1981 expressing a determination to end global poverty and inequality.

• (1510)

Countries small and large have a voice within the Commonwealth. Twenty-six member states have populations that number less than one million. The Commonwealth is often the most significant link these countries have with the rest of the world. The Commonwealth is, as a result, the best advocate for the special needs and problems of these small countries. As virtually every region of the world is represented in the Commonwealth, it is easy to see that membership helps more than it hinders.

"India has contacts with southeast Asian states which no other Commonwealth country can match. Canada has an unrivalled knowledge of the United States; Britain has knowledge of Europe. Jamaica has a special advantage in understanding the countries of the Caribbean" and so can advises others. This becomes important as we move towards increasing global trade.

Both Canada and the Commonwealth have benefited from our membership. Not only have we helped to preserve the association in times of crisis and supported all its programs, but we have been led to change some of our attitudes, especially those towards the Third World.

I recall attending a Caribbean Commonwealth Conference in 1973 as an observer with two former MPs, Senator Heath Macquarrie and the present Lieutenant-Governor of Ontario, Lincoln Alexander. At the beginning of the conference, the chairman stood up and said: "We want our three Canadian friends who are here as observers to feel free to intervene in our proceedings any time they wish to speak, for Canada is the best friend the Caribbean Commonwealth countries have in the world. Great Britain is next. And after that we don't even enumerate them."

On that trip, I flew to a cadet training camp to visit with 30 Canadian cadets who were there to train for a month with other cadets from Commonwealth countries. The Jamaican pilot who flew me in informed me that he had received his training at Portage la Prairie in Manitoba. This is just another concrete example of the co-operation that goes on within the Commonwealth.

On that same day, we received word that the Right Hon. Louis St. Laurent had passed away. I brought this to the attention of the chairman of the Caribbean meeting and the first item of business was a moment of silence in his honour. One could sense the sincerity and the warm feeling extended towards Canada.

In a world where division often reigns according to ideology, race, region, level of economic development or religion, the Commonwealth is necessary. It manages to ignore group interest and help bring about a global solution to common problems. The Commonwealth is proof that through consensus a great deal can be achieved. Prime Minister Nehru of India's statement in 1949 sums it up perfectly: the Commonwealth "brings a healing touch to a sick world."

Today we extend our best wishes to the other 49 members of the modern day Commonwealth. We extend the hand of friendship and co-operation to them in order to continue to help them make the Commonwealth a great human and political organization, and an outstanding example of international co-operation and friendship for the entire world.

The Commonwealth has a tremendous amount of wealth of knowledge and understanding to offer to the rest of the world and is a great basic factor in pulling various peoples of the world together in harmony.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I too would like to rise on behalf of my party and pay tribute to the Commonwealth on this Commonwealth Day, and to pick up where the minister speaking for the government left off when she extended her congratulations to Sonny Ramphal, the Secretary-General of the Commonwealth, for the work that he has done over the years. Mr. Ramphal is to retire, and we wish his successor well.

However, I also want to note in a personal way that I had the opportunity to hear Mr. Ramphal on a number of occasions and have always found his speeches and his analyses of the global situation to be among the best that I have ever heard. I listened to him last October at the annual meeting of the Commonwealth Parliamentary Association. I would recommend that speech to the minister and to all ministers of the government, because its analyses of the global environmental situation and what needs to be done, and done in a hurry, runs contrary to the policies of the government. It is one thing to congratulate Mr. Ramphal; it is another thing to pay attention to what he has to say. I would hope that someday we might see that kind of attention being paid to the policies which Mr. Ramphal advocated.

I am thinking particularly of the greenhouse effect and his concern about that, but also his concern about another Commonwealth country, Bangladesh, which stands to suffer a calamity if all the predictions about greenhouse warming and rising of the sea level are true. The delegates from Bangladesh become desperate when they contemplate what the possible consequences of the greenhouse effect might be. We should keep their situation in mind when we are making decisions about hydrocarbon policy and various other things to which this government does not yet seemed to have caught on.

The British Commonwealth is the outcome of a process of decolonization. It is basically what is left over after the decolonization of all the former British colonies. As the hon. member indicated earlier, all members of the Commonwealth, with the exception of Britain, were formerly British colonies. What we need to keep in mind when we think about the Commonwealth, is that decolonization does not have to be the end of relationships. There can be constructive ways for former colonial countries to relate to their now decolonized neighbours or, for that matter, distant neighbours.

The process of decolonization with respect to the Commonwealth is completed with the independence of Namibia, something which all of us welcome and which a number of us have had an opportunity to comment on in the House.

The process of decolonization outside the British Commonwealth has not been completed. In fact, there are new and more recent forms of colonization that have to be addressed, whether it is the colonization of East Timor by Indonesia or Tibet by China. There are numerous examples of existing colonization, to which at this particular time in history, we should be turning our attention. Why not make it a clean slate, and let us pass into a new era of history in which nations are no longer colonies of other nations.

Presumably, later we will have an opportunity to pass a resolution with respect to Lithuania. I would invite Soviet leaders and politicians to think about new ways in which they might relate to the various parts of what has been called their empire, whether or not that is the appropriate way to describe it.

It seems to me that all those things should to be considered when thinking about the Commonwealth.

One of the things that I hope for the British Commonwealth as progress is made in South Africa, assuming that progress comes to fruition and we see the creation of a democratic, non-racial democracy in South Africa, is that then the Commonwealth might be able to turn its attention to other regimes in the Commonwealth, which have literally got away with murder. While every one has been preoccupied with South Africa, there is not a member of Parliament who has not been approached at one time or another about political oppression in various Commonwealth countries.

It does not serve anyone well to have the sort of idyllic view of the Commonwealth that was expressed just before me about this being a group of nations that respect British parliamentary tradition and British law, and all those sorts of things. That would be nice, except the fact of the matter is that in many of these countries in Africa and Asia, these kinds of things are not respected. I hope that soon the Commonwealth will proceed to a point where no longer will we turn a blind eye to some of these things and begin to address the

human rights violations that are going on in various Commonwealth countries.

• (1520)

For example, I am reminded of the persecution of Ahmadi Muslims in Pakistan. The minister raised the question of Pakistan's re-entry into the Commonwealth. I think this is a good thing. It is also an opportunity for members of the Commonwealth to express to Prime Minister Bhutto and to others that the kinds of things which are going on in Pakistan with respect to the Ahmadi Muslims are unacceptable to Canadians, as are many other things that are being perpetrated by other Commonwealth countries.

The Commonwealth serves the purpose of being an opportunity to get together, to have an entirely different form of forum for communication and sharing of concerns, but it also ought to be a place where various governments are challenged, not in a self-righteous way, but challenged to live up to the very ideals which the Commonwealth itself says it holds dear. I would hope that the government would see its way to continue to use the Commonwealth in that way.

Mr. Gauthier: Mr. Speaker, during Question Period there was a disposition, at the suggestion of the hon. member for Parkdale—High Park, that a motion could be put at this time, with the unanimous consent of all members, dealing with the situation in Lithuania. I wonder if there would be disposition at this time to proceed with such a motion.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

* * *

LITHUANIA

DECLARATION OF INDEPENDENCE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, yesterday the world witnessed another historic event when the newly-elected Lithuanian Parliament declared a reborn, independent, democratic Lithuania.

Therefore, it is a great honour for me to introduce this all-party resolution, seconded by the hon. member for Don Valley North and the hon. member for Winnipeg Transcona.

The resolution reads:

> Be it resolved that this House recognize the legitimate right of the Lithuanian people, as expressed by their elected representatives on March 11, to declare the independence of the Republic of Lithuania.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PUBLIC ACCOUNTS

FIFTH REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Public Accounts. With your permission, I would like to say a few additional words.

The Public Accounts committee today tables an important report on Emergency Preparedness Canada. The theme of the committee's report is securing improvements in Canada's peace time emergency planning measures.

The committee raised two major concerns: first, that emergency planning at the federal level clearly identify who is in charge; and second, that the responsible agency complete the development of comprehensive plans for national emergencies such as catastrophic earthquakes and chemical or nuclear accidents.

Among the committee's key recommendations are the adoption of a plan to designate lead agencies for specific national emergencies and the setting of clear deadlines for the completion and testing of all national emergency plans.

In particular, the committee called upon Emergency Preparedness Canada, in conjunction with the provincial governments involved, to complete the national earthquake plan. This plan, which has been brought to an

interim stage of completion, has been developed for British Columbia but would also be applicable to high-risk earthquake zones elsewhere in Canada.

Emergency Preparedness Canada has been requested to respond to the committee's report on March 31, 1991, because we want to see what action has been taken. This response is timed to coincide with the Auditor General's follow-up audit so that the committee can benefit from the Auditor General's assessment of the progress being made in implementing its recommendations.

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

* * *

[*Translation*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present to the House of Commons a petition signed by more than 250 Canadians who are opposed to the government's legislation concerning the GST, especially with respect to books, magazines and newspapers.

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I am tabling today a petition from Lebel-sur-Quévillon in Abitibi, further to the recommendations of the task force on tax benefits for northern and isolated areas.

Lebel-sur-Quévillon is undoubtedly an isolated community and for that reason, the signers of this petition consider the Brunelle recommendation to be discriminatory, unfair and inappropriate to the purpose of the northern tax benefit plan. It does not encourage settlement of the North and resource development there.

[*English*]

BILL C-43

Mr. John Reimer (Kitchener): Mr. Speaker, it is my honour and privilege to submit a petition containing 549 signatures of women across Canada who are petitioning the Government of Canada in support of legislation which would effectively protect the life of the unborn and establish the principle of the sanctity of life and its protection without distinction as to stages of development. These 549 signatures are in addition to close to 210,000 previous signatures in petitions from women across Canada submitted earlier.

GUN CONTROL

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I am delighted to present the first of many petitions with respect to gun control that are being circulated in my riding and throughout metropolitan Toronto.

The 620 petitioners request the Minister of Justice to revise the gun laws of this country; to ban the possession of all guns by anyone except for law enforcement officers, security and military personnel in the performance of their duties, and those other members of society who require a gun, other than automatic or semi-automatic firearms, for legitimate purposes and have successfully mastered a training program and a psychological test satisfactory to the Minister of Justice, the provincial attorneys general and the association of chiefs of police.

The police and the public overwhelmingly want tough gun laws.

GOODS AND SERVICES TAX

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, it is my privilege to rise under Standing Order 36 to present a petition from 45 of my constituents in the Southwest Arm area, from Southport to North West Brook, including Gooseberry Cove, and in the Clarenville area including Hillview, St. Jones Within and other areas.

My constituents are very concerned about the effect that the goods and services tax will have on them. They are particularly concerned about the 31 new tax increases that have taken place. In particular, because of the level of income that is represented in this part of my riding, they feel that the imposition of this new GST will cause serious and unfair hardships to low and middle income Canadians.

They humbly pray and call upon Parliament to reject the proposed goods and services tax.

NORTHERN TAX ALLOWANCE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have two petitions to present to the House today. The first is from residents of the Prince George, B.C. area and the Dome Creek area who call upon Parliament to reject the recommendations of the

report that was provided to this House on the northern tax allowance.

They call upon the Government of Canada which has stated in previous answers to questions that it will be studying the tax allowance and responding quickly, we trust.

• (1530)

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the second petition relates to and is tied in actually to the most successful convention that New Democrats had this weekend in Vancouver under the leadership of Mike Harcourt.

This petition is signed by residents of Burnaby and Maple Ridge area who call upon the government and Parliament to renew the forest agreement between Canada and the Government of British Columbia. There are 19 days remaining in this agreement which the Minister of Forestry said some time ago he would have signed. It is time he signed that agreement today.

Mr. Sid Parker (Kootenay East): Mr. Speaker, pursuant to Standing Order 36, the attached petition has been certified correct as to form and content.

This petition is from residents of the Creston and Wynndel area in my riding. The federal-provincial forest resource development agreement has advanced the regeneration of our forests and helped to provide employment for hundreds of individuals in the effort to replenish the forest resource for future generations. We the undersigned encourage the Parliament of Canada to renew this important agreement with British Columbia and therefore provide for renewed commitment to restock our forest lands, advance forestry research, promote silviculture and assist the forest industry to develop the new products and markets that will provide us with forestry jobs for the future. The petitioners urge that this agreement be signed now.

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to present a petition on behalf of a number of farmers from Saskatchewan who are concerned with the orderly marketing system in this country and the direction that this government is taking with respect to the future of agriculture. Specifically they are concerned with respect to the future of the Canadian Wheat Board and the fact that this government has removed oats from the jurisdiction of the Canadian Wheat Board.

The petitioners call upon this government to put a vote to the producers of this country to determine whether or not they want oats under the Canadian Wheat Board.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 210 and 227.

[*Text*]

EDC LOANS IN SUPPORT OF PURCHASE OF MILITARY TECHNOLOGY

Question No. 210—**Mrs. Stewart:**

Are any EDC loans supporting purchases of military technologies and, if so, in each case (a) to which countries (b) for what amounts (c) what technology is being funded?

Hon. John C. Crosbie (Minister for International Trade): Insofar as External Affairs and International Trade Canada (EAITC)/the Export Development Corporation (EDC) are concerned, the reply is as follows:

EDC is currently financing a number of transactions involving military technology as described in Group Two of the Export Control List. In each case, the required export permits have been obtained under the authority of the Export and Import Permits Act. As the dealings of Canadian companies with EDC are exempt from public disclosure under the Access to Information Act, it is not considered appropriate to release specific details.

BRITISH COLUMBIA PRODUCT SHOW

Question No. 227—**Mr. MacWilliam:**

1. Was there any government expenditure for the 1990 British Columbia Product Show, which was held in Vancouver on January 29, 1990 and sponsored by Western Diversification Canada and, if so, in total, what amount?

2. Was a contract tendered for the staging of this Product Show and, if so, by what method?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): 1. The total federal government expenditure for the 1990 British Columbia Product Show, which was held in Vancouver on January 29, 1990, was $50,656.03.

2. The "staging" of the Product Show was provided through a call-up against a Regional Individual Standing Offer (RISO). The standing offer was awarded by the Department of Supply and Services through a competitive tendering process based on price and technical merit.

[*English*]

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

The Acting Speaker (Mr. Paproski): The questions as enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Before I call government orders I wish to inform the House that because of ministerial statements government orders will be extended 20 minutes.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND—NON-CONCURRENCE IN SENATE AMENDMENTS

On the Order:

Government Orders:

February 21, 1990—Consideration of amendments made by the Senate to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

Hon. Harvie Andre (Minister of State to Prime Minister and Government House Leader): Mr. Speaker, I rise to initiate the response from the government to the message from the other place respecting Bill C-21, an act to amend the Unemployment Insurance Act.

The message from the other place came back with some nine amendments. On behalf of the government I have to state that it objects to several amendments proposed by the Senate because it guts the bill, violate its principles approved by the Commons and it transgresses accepted constitutional boundaries of the Senate's role on government bills coming from the Commons.

First, I would like to note Standing Orders 79 and 80 of our House and Sections 53 and 54 of the Constitution Act, formerly the British North America Act.

Standing Order 79(1) of the House of Commons, which has been in place since Confederation states, and I quote:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

This simply states the long standing constitutional precedent that a Royal recommendation dictates and must precede any appropriation of funds and any deviation from that by way of amendments would, in fact, be out of order and not permissible under that Standing Order.

Standing Order 79(2) states, and I quote:

> The message and recommendation of the Governor General in relation to any bill for the appropriation of any part of the public revenue or of any tax or impost shall be printed on the *Notice Paper* and in the *Votes and Proceedings* when any such measure is to be introduced and the text of such recommendation shall be printed with or annexed to every such bill.

And 79(3) states, and I quote:

> When estimates are brought in, the message from the Governor General shall be presented to and read by the Speaker in the House.

Standing Order 80(1) states, and I quote:

> All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

That is a Standing Order of this House in place since Confederation. Standing Order 80(2) states:

> In order to expedite the business of Parliament, the House will not insist on the privilege claimed and exercised by them of laying aside bills sent from the Senate because they impose pecuniary penalties nor of laying aside amendments made by the Senate because they introduce into or alter pecuniary penalties in bills sent to them by this House; provided that all such penalties thereby imposed are only to punish or prevent crimes and offences, and do not tend to lay a burden

on the subject, either as aid or supply to the Sovereign, or for any general or special purposes, by rates, tolls, assessments or otherwise.

In other words, it states absolutely and clearly in the Standing Orders that only this House, not the other place, only this House ,in all questions of supply, namely taking the funds from the Consolidated Revenue Fund has the right to decide how they are to be spent, not the Senate, under any circumstances at any time since Confederation. That is a Standing Order of this House.

That Standing Order does not stand in isolation. Clause 53 of the Constitution Act of Canada states:

Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

Clause 54 states:

It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address or Bill is proposed.

Nothing could be clearer than that in terms of the constitutional authorities of this House, and solely this House, to deal with tax and spending.

Notwithstanding that, these rights and powers of the Commons *vis-à-vis* the Senate with respect to legislation and amendments to bills have been seriously and substantially breached by the Senate amendments before us now.

• (1540)

[*Translation*]

As I said earlier, Mr. Speaker, it is perfectly obvious the Senate has exceeded its role and that on the whole, its amendments alter the very foundation of the government's changes as set forth in Bill C-21. The scope of these amendments and their financial impact on Canadian taxpayers are unacceptable, coming as they do from a group of non-elected senators who are not accountable to anyone for their actions.

[*English*]

It is absolutely incredible in this day and age when everywhere around the world non-elected bodies are being disposed of left, right and centre. In South America elected legislatures and executives are in place where previously we had non-elected groups. In eastern Europe non-elected parties in power are being thrown out of their various legislatures.

But here in Canada, we have a non-elected group which cannot accept the results of the 1984 election stating that it will not let this elected Chamber do what it was elected to do, namely, deal with the spending and raising funds.

The hon. member—and I await his address with interest—says the Constitution can do it. He says that legally, the Senate can kill a bill. Legally, the monarch can kill a bill. Legally, the Governor General can amend and kill a bill. Legally, the Governor General can do that but never would because the Governor General learned in 1925 that this is a democracy and Governors General do not do that. We need to teach the same lesson to the other place.

An Hon. Member: You have no mandate.

Mr. Andre: I hear talk of mandate. Would the hon. member tell me what mandate the Senate has to do what it has done? What mandate? From whom? What deity bequeaths to these has-been Trudeauites the right to decide the agenda of this country? What deity has prescribed that right to them? They are Liberals? Does that give them a right? The God-given right to say: "To heck with the House of Commons. The House of Commons amounts to nothing. We shall decide in the Senate. We, after all, are appointed by Pierre Elliott Trudeau. This gives us a moral authority beyond mere election in a ballot. This gives us the authority to decide. We may have been tossed out in 1984, but we are still in power, by golly, and we are going to exercise that power". Yes, Sir, only a Liberal could say that without blushing. I will admit the hon. member for Beaches is blushing a little bit.

An Hon. Member: Broadview—Greenwood. Say it with respect.

Mr. Andre: Broadview—Greenwood. I am sorry. I am sorry you are not running. You are a lot better than the other bunch that is up there.

I am aware that the other place historically has not accepted the Constitution and our Standing Orders. It continues to claim and has continued to claim in the past that it has some authority.

If I may I will quote from a book by Mr. F.A. Kunz entitled *The Modern Senate of Canada* which deals with the period up to 1963. We have not had any political scientist look at the Senate since then and I can understand why not.

Page 338 of Mr. Kunz's book states:

> While the right to refuse or reject is admittedly within the legal powers of the Senate, for the reason that public money cannot be spent or taxes imposed except under the authority of an act of Parliament—

The Senate claims that since it is a part of Parliament, that gives it the legal authority to reject. I would say again, as I said earlier, the Governor General is a part of Parliament as well. The Governor General has that same legal authority but, of course, would never exercise it.

Kunz continues:

> —which implies the consent of the Senate, the House of Commons has taken the view that the provision in section 53 of the BNA Act which requires that the entire bill on which the ultimate law is founded must originate in the Commons prohibits the Senate even to amend money bills downward; for if the Senate amends, then the bill passed by the Senate is not the one that originated in the House of Commons. This attitude, which is incorporated in SO 63—

That is now Standing Order 80.

> —of the Rules of the House of Commons, in effect equates the financial powers of the Senate with those of the House of Lords at the time of Confederation, when the Lords were restricted by constitutional conventions but not as yet by the statutory provisions of the Parliament Act. In contrast, the Senate's stand crystallized in the so-called Ross Report of 1918, which served both as a summary of past practice and as a guide for future action, has always been that of the two restrictions on the rights of the House of Lords which the House of Commons by its Resolution of 1678 tried to impose, namely the denial of the right to originate and the denial of the right to amend money bills, the BNA Act adopted the first in Section 53 but did not mention the second and that this proved that the Fathers did not intend the Senate to follow the practice of the House of Lords and not to amend a money bill—
>
> But these arguments and counter-arguments respecting the Senate's financial powers, although theoretically interesting, are now-a-days little more than examples of academic pedantry and to discuss the Senate's right to revise the Government's financial program in terms of conflict is really to present a very misleading picture of its functions in the modern state. On the contrary, the Senate has acted in full understanding of the meaning and implications of responsible government and accepted as binding upon itself the proposition that it should not unduly disturb what has come to be called "the balance of ways and means"; or, as Hopkins says, "that it would be inadmissible to tamper with the overall financial program submitted by the Government in its budgetary proposals in such a way as to effect a material change in the budgetary surplus or deficit envisaged therein."

This applied to Senators in the other place right up until 1984. What big constitutional changed occurred in 1984? A bunch of Trudeauites got transferred from here over there and they forgot that there was an election which changed where the power should lie. That is all that happened.

In 1963 we have an authority saying that previous Senates have never acted in the way this one is acting. This one has gone back to pre-1678, and they are talking about a modern Senate!

The reality remains that the Commons must, at times such as the present circumstances, reassert its rights to the Senate. It is our responsibility to make such objection. We owe it to the democratic principles upon which the country is based.

Some Hon. Members: Hear, hear!

Mr. Andre: The absolute basic grounds on which the Senate must respond to the Commons' will is the fact that this House is elected and the other place is not. That is the foundation of our Canadian democratic system. The reality is in fact understood and accepted by the Senate, we believe.

In recent examples of Senate messages on bills, members will recall that ultimately the Senate acknowledged this truth. The senators proposed their amendments, they got our response, they may have made a second effort to ask us to accept some of their amendments, but, as Senator Frith, the Deputy Leader of the Opposition in the other place, has put it so well, and I believe I quote his words: "There may be 100 reasons why we should not in the Senate yield to the House and only one reason why we should, and if that one reason is that the Commons is elected and the Senate is not then that is reason enough to yield".

Some Hon. Members: Hear, hear!

• (1550)

Mr. Andre: Government is being firm on this principle because it is so absolutely basic to the integrity of our system of responsible government, with a capital R, within a bicameral federal Parliamentary system.

The consequences of allowing the Senate to proceed in its course unchallenged, essentially to change the parent Unemployment Insurance Act in sections opened up by Bill C–21, are horrendous implications for democracy and responsible government.

To give one example, in looking at Senate amendments 7 and 9, there is a fundamental deviation from, in fact a wholesale gutting of, one of the principles and the manner of funding which is at the heart of Bill C–21. The effect of implementing these amendments would be an additional expenditure by the government of $1.75 billion above what was planned for in the 1989 budget—

An Hon. Member: Outrageous.

Mr. Andre: —and approved in votes by this House and as reflected in Bill C–21, and its royal recommendation. I urge hon. members to look at page 30, of the April 27, 1989 budget papers, where the finance minister is explicit about UI premiums financing all UI expenditures.

It would be an horrendous thing to imagine that this House would allow the other place to upset budgetary calculations and projections by almost $2 billion.

An Hon. Member: What is democracy anyway?

Mr. Andre: The hon. member from the back row says: "What is democracy anyway". If the Senate speaks, who cares about democratic principles. The hon. member does not care much about democratic principles, obviously, by his bellowing from the back row there.

My point is simply that our Standing Orders and practices, and our Constitution and its history give the Commons the right and duty to set the spending priorities of the government of Canada. That is absolute. It is not, and never has been, the role of an unelected, unresponsible Senate to interfere with or override it.

Yes, the Senate can legally, perhaps, defeat, delay or amend downward a supply appropriation bill. But it never has. Just as the Governor General can legally kill or amend a bill. But the Governor General never has. The Senate can amend, and it has done so, usually with government approval, bills which had a royal recommendation, but never in modern history, if not earlier, in a fundamental way, with dramatic consequences for what has been called in the Senate, the balance between ways and means. In short, never in defiance of the terms of a royal recommendation, and that is what has been done by the Senate in this case.

I want to focus on the government's position that Bill C–21 is a money bill, with a royal recommendation which appropriates money. The House of Commons must assert in messages to the Senate, when required as in the present case, that the degree of amendment to such bills, by the Senate especially if not just the Commons, must be properly circumscribed. Given the record of Senate practice in the past half century or so and learned commentary on it we must ask ourselves about the extent to which the Senate can alter, in opposition to the House, a government bill, particularly one based on a royal recommendation as Bill C–21 is.

Given the wording of the royal recommendation and the past interpretations by the Speaker of our Standing Orders 79 and 80 which deal with financial procedure, at what point in the specific content of a bill with a royal recommendation does a limit on its ability to be amended become clear, especially any amendment that would, if implemented, redirect the raising or spending of revenue, into or out of the Consolidated Revenue Fund? In other words, what limits, with an eye to impact on the CRF, are there to amendments to a bill like Bill C–21?

The hon. member for Kingston and the Islands walking by muttered something about, not if it did not need a royal recommendation in the first place. He seems to be implying that the bill was out of order when brought in in 1921 by having a royal recommendation.

Mr. Gauthier: He did not say that. Those are your words.

Mr. Andre: The bill does need a royal recommendation.

An Hon. Member: It doesn't. Your amendment does.

Mr. Andre: This is a money bill. An amendment to change the amount by $1.75 billion, to introduce a call on a Consolidated Revenue Fund by $1.75 billion does not need a royal recommendation? That is absurd.

My remarks are just an overture to what can be expected to be heard from the Minister of Employment and Immigration who will be talking in more substance about the details of the bill when she participates in the debate on a motion I will introduce shortly. But it is clear that what the Senate has proposed dramatically upsets the principles of the bill and dramatically upsets the financial posture brought forward by the Minister of Finance in the budget of April, 1989. It is beyond the purview of the Senate to do that.

I submit that this House is entitled to take exception to the extent to which the unelected Senate has tried to transform the bill sent to it into something fundamentally different. I am aware of the tradition from Westminster cited in Erskine May, Twenty-first Edition, on page 513. He states:

> No objection can be taken to a Lords amendment on the ground of being outside the scope of the bill, or otherwise as to its orderliness—

Then there is the provision—

> —except so far as sanction by way of a financial resolution is concerned—

This was not a ways and means bill, but it did have a royal recommendation which limited money put into play by the bill. The appropriation of public revenue "under the circumstances in the manner and for the purposes set out" in the bill. The royal recommendation says that moneys will be appropriated and spent in the manner and for the purposes set out in the bill.

It is clearly out of order for the other place to say that it will spend it in a different manner and for different purposes than those set out in the bill presented to the Senate by this House. That is clearly out of order.

The principles or purposes of Bill C-21, were and are, to end government financing of the unemployment insurance, to restrict entry to and claim upon the program and to use money from the fund to purchase training programs. The Senate has gutted two of these three principles.

I do not create this submission about the Senate role. One of our prime reference works does. It is called, and I referred to it earlier, *The Modern Senate of Canada* by F. A. Kunz. It reviews specifically the period from 1925 to 1963. He says "The Senate's unique sense of political self restraint"—that was prior to 1963, not post-1984, obviously—is the result of many factors, including "the self-consciously subordinate position of the Senate in the framework of responsible government, its remoteness from the real centre of political controversy—he means the hustings, the Commons, the ridings—the relatively high average age of its members, the feeling of security engendered by tenure and the intentional laxity of its party organization". He states:

> The ruling spirit of the Senate is a spirit of moderation, of fair play, of due independence, of political self-restraint, with a latent determination at the bottom of all discussion and debates not to go beyond a certain limit, not to abuse the constitutional power which resides in the Chamber, giving way even when acquiescence is lacking, and abstaining from pushing the course or objection to the point of obstruction.

That is how this scholar described the Senate from 1925 to 1963. I do not know what words he would use to describe the Senate since 1984.

• (1600)

In his look at "The Senate versus the Executive" he concludes that the elected Commons has pre-eminence. He says: "The Senate as a parliamentary institution has made no articulate attempts to erect a defence for certain economic and social principles in contradistinction with the express wishes of the elected representatives of the people."

I would cite Bills C-27 of 1977 and C-14 of 1978, and the process of Senate disposition of them, as relevant precedents to this situation. The Senate passed them in all stages in one day. These were bills which made very significant changes to the Unemployment Insurance Act. Imagine, in 1977 and 1978 that august body down the hall passed those bills, in all stages, in one day, bills which made profound and significant changes to the Unemployment Insurance Act. Now, it does not seem to view that as the way to operate.

What has happened? The mere fact that an election or two happened to intervene is no reason why that same bunch should not stay in power. After all, they are Liberals, are they not? They have been given this authority by the deity to rule and mere elections do not change that. After all, they are members of the Liberal Party of Canada. They do not let mere elections of a bunch of commoners change what is going to happen in this country. That is absurd.

Later, Kunz reminds us that the historic interpretation made in the Commons about the weight of Sections 53 and 54 of the Constitution is this:

> Public money cannot be spent or taxes imposed except under the authority of an Act of Parliament which implies the consent of the Senate; and the provision in Section 53, which requires that the entire bill on which the ultimate law is founded must originate in the Commons, prohibits the Senate even to amend bills downward; for if the Senate amends, then the bill passed by the Senate is not the one that originated in the House of Commons.

That is axiomatic. All bills which would spend money or raise taxes must originate here. That constitutional provision becomes ludicrous if in fact the other place is able to gut it and say that it will not pass anything but its gutted version. Then what of this authority that the House of Commons possesses by virtue of the Constitution and a few centuries of tradition?

I find it absolutely astounding that for the potential opportunity of short term political gain the opposition parties apparently—I say apparently, we will see what they say in debate; I do not want to pre-judge—are quite willing to dismiss and ignore a few centuries of democratic tradition because there may be an opportunity for some short term political gain.

As I said before, this discussion gets into pedantry because the Senate had not acted so. From 1925 to 1963 the Senate never acted so, and it did not act that way from 1963 to 1984. For 60 years, roughly, we had a Senate that recognized we lived in a democracy. But then the damn democracy went and elected people from the other party. It was an outrageous thing they did, and they did it twice. These protectors of the public in the Senate must prevent the mob in the House of Commons from getting its way.

All that remains is for me to establish that Bill C-21 is in fact a money bill. It is, and I will explain why. Section 53 of the Constitution Act, 1987, provides:

> 53. Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

Bills referred to in Section 53 are commonly referred to as "money bills". That is to say that they deal with what is raised by way of taxes. We know that we need a Ways and Means motion passed by this House before we are able to raise taxes. They deal with what is spent, public revenue. We know that in order to do that we must have a Royal Recommendation. The Means and Ways role and the supply role both must be established by this House of Commons, preceded in one case by Ways and Means motions and on the outside, if you will, a Royal Recommendation. We cannot raise money without a Ways and Means motion by this House. We cannot spend it without a Royal Recommendation.

It is very clear. This is a prerogative of the House of Commons and only the House of Commons, and not the Senate. To tamper with that in any significant way is clearly and absolutely unacceptable in a democracy.

Again, I can see that legally the Senate may be able to do this. The Government General legally can do that. But in a democracy it is intolerable for either element of Parliament to act against the wishes of a democratically elected House of Commons.

Section 53 prohibits the Senate from amending money bills. In this regard, Standing Order 80 of the House of Commons declares:

> 80.(1) All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit, and appoint in all such bills,—

Only the House has the right to direct, to limit and to appoint.

> —the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

That is from our Standing Orders. It would be in contempt of this House for hon. members to stand up and say that they do not care what Standing Order 80 says, they intend to agree with the Senate's butchering of this Standing Order.

As I have indicated, the term "money bill" refers to a bill that appropriates any part of the public revenue or imposes any tax or impost. Any appropriation, tax or impost is a money bill. In other words, Section 53 applies with respect of any bill that proposes to authorize an expenditure of public money or to impose any tax or impost. In the case of a bill authorizing the expenditure of public money, the authorization may be direct, as in the case of an appropriation bill, or indirect, as in the case of a bill that authorizes or requires something that entails the expenditure of public money.

If you see *Bourinot's Parliamentary Procedure and Practice in the Dominion of Canada*, Third Edition, 1903, at page 626, he states:

> As a general rule, public bills may originate in either House or whenever; but whenever they grant supplies of any kind, or involve directly or indirectly the levying or appropriation of any tax upon the people, they must be initiated in accordance with law and constitutional practice.

Section 53 of the British North America Act, 1867, expressly provides:

> Bills for appropriating any Part of the Public Revenue or for imposing any Tax or Impost, shall originate in the House of Commons.

• (1610)

Some instances of bills considered to be money bills are given in *Erskine May Parliamentary Practice*. I am referring to the 19th edition, page 758, 1976: (a) provisions extending or altering the purposes of a previously authorized expenditure; (b) provisions increasing the amount of a previously authorized expenditure, which is found at page 759; (c) remissions of amounts paid on account of debts, taxes or fees due to the Crown, which is found at page 756; and (d) provisions increasing a charge by the extension of time, found at page 757.

I think that should prove it, but people still argue is Bill C-21 a money bill? One argument that may have been expressed at the Senate or its offices was that since expenditures under the UI Act are paid from a special levy on employers and employees for that purpose and since no general tax revenues were appropriated to pay for these expenditures, there was in effect a separate fund which should not be regarded as public funds or the public revenue.

In response, I say that the UI account is not a separate fund from the CRF. All accounts received under the UI Act on account of premiums are paid into the CRF and all amounts paid as or on account of benefits and assistance under Section 26.1 are paid out of the CRF. I refer members to Sections 113 and 117 of the UI Act.

The CRF is public money or public revenue. In this regard it can be noted that the CRF is defined in Section 2 of the Financial Administration Act as meaning "the aggregate of all public moneys that are on deposit at the credit of the Receiver General". Public money, in turn, is defined as meaning:

> All money belonging to Canada received or collected by the Receiver General or any other public officer in his official capacity or any person authorized to receive or collect such money, and includes
>
> (a) duties and revenue of Canada,
>
> (b) money borrowed by Canada or received through the issue of sale of securities,
>
> (c) money received or collected for or on behalf of Canada, and
>
> (d) all money that is paid to or received or collected by a public officer under or pursuant to any act, trust, treaty, undertaking or contract, and is to be disbursed for a purpose specified in or pursuant to that act, trust, treaty, undertaking or contract.

The point is this. The fact that money raised for UI Act expenditures is raised by a special levy on employers and employees does not mean the moneys are not public moneys or public revenue. There are several provisions in Bill C-21 that have the effect of either directly or indirectly imposing a charge on public funds. These provisions create special new and distinct charges on public funds. These include Clauses 2(1), 9, 14(1), 19(2), 20 and 50(1).

I expect that the Minister of Employment and Immigration will speak to these very important provisions which must be protected when she enters the debate later. The only point I underline now and again is that this money bill has been unacceptably gutted and perverted by some of the Senate amendments.

[*Translation*]

In concluding, Mr. Speaker, I would like to recall what the former Leader of the Opposition said a few years ago, when the Senate tried to force the government to amend the bill to amend the Patent Act. He said at the time:

> That the House of Commons should prevail, and that this was the position of the Liberal Party.

[*English*]

Those were the words of the previous leader of this party who stated explicitly in this House that at the end of the day the will of the elected House of Commons must prevail. That is the clear position of the Liberal party. I hope that party with its great democratic tradition will remember those words when it comes to voting on this motion.

Therefore, I move:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendment 4(A) made by the Senate to Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, but disagrees with amendments 2(A), (B) and (C), 3(A) and (B), 5(A) and (B), 6, 7 and 9 because this House believes that they contradict the principles of the Bill, and violate the traditional legislative role asserted by the Commons in fulfilment of its obligations under Sections 53 and 54 of the Constitution Act, as fitting for the unelected Senate on money bills, for the following reasons:

All of them are in contradiction of the fundamental principles contained in C-21, which are:

(I) a shift to full financing of the UI program though employer and employee premiums;

(II) a reduction of work disincentives in the UI program;

(III) an increase in the Government's flexibility to meet the changing needs of UI claimants, to use UI funds to purchase training or provide ancillary income support and to provide access to other active employment measures in accordance with the rights and needs of claimants.

[*Translation*]

Amendments 2(a), (b) and (c) would restrict the innovative use of U.I. funds for developmental purposes by restricting the Commission's flexibility in purchasing training courses, providing mobility assistance, promoting self-employment and providing claimants with positive work incentives, including bonuses and temporary earnings supplements. This amendment offends principle (iii) mentioned above. It limits the governments's power to provide active employment measures to claimants.

[*English*]

Amendments 3(A) and (B) would restrict the ability of the Canada Employment and Immigration Commission to design developmental uses benefits and to administer the referral process in ways which are sufficiently flexible to meet the evolving needs of UI claimants, while safeguarding the rights and entitlements otherwise available to UI claimants under the UI Act. Again, this contradicts principle (III).

Amendments 5(A) and (B) would relax the stricter penalties imposed on UI claimants who have quit a job without just cause. This alters principle (II).

Amendment 6 would require that costs associated with third-party training be charged to the new developmental uses portion of the UI account, thereby reducing the funds available to train UI claimants. This contradicts principle (III), as it reduces the government's ability to provide claimants access to active employment measures.

Amendment 7 reinstates Consolidated Revenue Fund responsibility for financing a portion of regional benefits. This contradicts principle (I) of Bill C-21, which requires employee and employer funding of all UI program expenditures.

Amendment 9 would maintain the current programs financing provisions for self-employed fishing benefits. This offends principle (I) above, which ensures that the program must be funded from employer and employee premiums.

And that this House agrees with the principles set out in parts of amendments 1, 4(B), (C) and (D) and 8, but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out line 40 on page 13 and substitute the following:

Appeal under Section 79 or 80.

(9) For greater certainty, the courses or programs referred to in subsection (1) include courses or programs in basic skills and literacy."

Amendment 4(B) be amended to read as follows:

"Strike out line 4 on page 16 and substitute the following:

Made under Sections 24 to 26.1, and

(III) showing the estimated or, where available, the actual expenditures made under this Act in each province for each of the three years preceding the year to which the plan applies, and"

Amendment 4(C) be amended to read as follows:

"Add, immediately after line 6 on page 16, the following:

(2.1) In the Estimates of the expenditures referred to in subparagraphs 2(A)(I) and (II), the plan may include the estimated expenditures to be made in each province".

Amendment 4(D) be amended to read as follows:

"Strike out line 18 on page 16 and substitute the following:

Day.

(4) Notwithstanding any other provision of this section, the plan for 1990 shall be laid before Parliament not later than three months after the coming into force of this section."

Amendment 8 be amended to read as follows:

"Strike out line 1 on page 33 and substitute the following:

53. Subsections 130(3) and (4) of the said Act are".

That is the motion I put to the House for consideration. I respectfully submit, Mr. Speaker, that the end of the day has come and that it is time for the will of the House of Commons to prevail.

• (1620)

Just by way of information to give some indication of how much discussion has gone on so far in this matter, we have previously debated this legislation at second reading for 13 hours. We debated it in committee for 118 hours. We had report stage, we travelled and there were witnesses. We had report stage debate here for seven hours and third reading debate here, for 145 hours in total.

This committee had 233 persons representing 204 groups appear before it. They travelled to Sudbury, Toronto, Jonquière, Winnipeg, Edmonton, Moncton, and Vancouver, virtually around the entire country.

The Senate has had the bill for some extended months. It also heard many, many witnesses.

I think it is time that the will of the democratically elected people of Canada as expressed by this House of Commons be allowed to prevail and that we move on to other subjects.

[*Translation*]

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Drummond (Mr. Guilbault)—Money laundering; the hon. member for Bonavista—Trinity—Conception (Mr. Mifflin)—Veterans Affairs; the hon. member for Cape Breton—Highlands—Canso (Mr. LeBlanc)—Fisheries.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it may be true that there were 13 hours of debate in this House on this bill last fall. We are starting today a debate and we have only had a little more than an hour on a message from the Senate which I think did a terrific job of looking at that bill, as rightly it should. It recommended to this House changes which it has a constitutional right to do. By constitutional obligation it has a right to look at this and give us its opinion. There is nothing wrong with the message we got from the Senate in terms of its constitutional acceptability. I do take exception to the minister wanting us to believe that there have been 153 hours of debate. That is not what we understand debate to be. There have been 13 hours in this House, and that is about it. I hope he gives us that much time on this message.

First, before addressing the comments and reply of the minister, I would like to remind him that Bill C-21 is an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act. This is not, in our view, a money bill. It reduces the charge on the public treasury rather than being a bill that stands by itself. I will get to the arguments that were put by the department when I get to that question of whether indeed this is a money bill, yes or no.

I want to make a couple of comments before I get into the meat of the matter. We must remember that Canada, unlike the United Kingdom, is a federation. We do not have a unicameral parliament. We have the House of Commons that proposes and we have the Senate that can propose in certain circumstances.

In 1867 there were those in this country who opposed the establishment of the Senate. They wanted a Parliament constituted strictly on the basis of representation by population. Those persons, we will recall, were mostly from Canada west, which is now Ontario, my province. They did not prevail. They did not win their argument. The other provinces refused to agree to a Parliament in which one province, in this case Ontario, was expected to be dominant.

Those of us who come from Central Canada, as it is called, either Ontario or Quebec, must recognize, however, that members of the House of Commons are elected and have a most important role to perform, namely, to represent the people of the other provinces against a central majority dominated House of Commons. It is quite possible, and we have heard some arguments today, that an elected Senate could be far more effective than the present one. We are not debating that here today. I, for one, believe that an elected Senate would be more effective. However, until we do have an elected Senate, the Senate as now constituted must perform the tasks assigned to it by our Constitution.

I come directly to the question. Are the amendments before this House put by the Senate of Canada unacceptable to this House, either because they contravene our Standing Orders, as was alluded to by the minister, that

is, Standing Order 80(1), or because they contravene Sections 53 or 54 of the Constitution Act, 1867?

I could not find anybody in the Senate who said: "We accepted Standing Order 80(1) of this House". That Standing Order is quite clear. Standing Order 80(1) states:

> All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons, and all bills for granting such aids and supplies—

I underline the words "aids and supplies" because that is very important to my argument.

> —ought to begin with the House, as it is the undoubted right of the House to direct, limit, and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

• (1630)

The question we have to answer is whether Bill C–21 deals with aids and supplies such as described in Standing Order 80(1). In my opinion clearly it does not. We need not to revive the old argument between the House of Commons and the Senate, the dispute over whether Standing Order 80(1) prevails.

If we go into the authorities and look at Erskine May, Erskine May says: "Charges upon the public revenue are of two kinds." I think it is important that people understand that there are two kinds of charges against the public revenue: charges payable out of money to be provided by Parliament, that is, moneys to be voted year by year. That is the ways and means motions and supply motion under which we operate every year. That is one way.

Then there are charges upon the Consolidated Revenue Fund as a second source of supply. The charges payable out of the money to be provided by Parliament under the moneys that are voted every year are authorized every year by the regular appropriation acts of this House. The charges upon the Consolidated Revenue Fund are called statutory expenditures. That is what Bill C–21 addresses. It is not the aids and supplies argument but the statutory expenditures.

Historically, the Crown was expected to pay the annual costs of the Public Service from the income from Crown lands and the like. When this proved inadequate the Crown turned to Parliament for aids and supplies, that is, for financial supplements to make up the total requirements for each year. It is to the regular appropriation bills that Standing Order 80(1) refers.

At Westminster the bills granting aids and supplies are presented by Royal Assent by the Speaker of the House of Commons. The same thing happens here in Canada. A bill must have a royal recommendation to be called a statutory expenditure. Once we clear that up we must address the other kinds of charges I just alluded to as statutory expenditures.

They do not begin with a request for supply, nor are they dealt with according to the Standing Orders of the Business of Supply. Before 1968 they began with financial resolutions moved in a committee of the whole House. The terms of such resolutions were recommended to the House by the Governor General and in 1968 the preliminary resolution stage was dropped in Canada. Since then, the royal recommendation is communicated to the House in the manner prescribed in Standing Order 79(2).

Bill C–21 was introduced with a royal recommendation as prescribed by Standing Order 79(2), not with a royal recommendation presented in the manner prescribed by Standing Order 79(3). I think it would be of some assistance if I read Standing Orders 79(2) and 79(3):

> (2) The message and recommendation of the Governor General in relation to any bill for the appropriation of any part of the public revenue or of any tax or impost shall be printed on the *Notice Paper* and in the *Votes and Proceedings* when any such measure is to be introduced and the text of such recommendation shall be printed with or annexed to every such bill.
>
> (3) When estimates are brought in, the message from the Governor General shall be presented to and read by the Speaker in the House.

I think one must accept that Bill C–21 is not a bill supplying aids and supplies. Standing Order 81 does not apply to it, but Standing Orders 79(2) and 79(3) apply.

Having said that we have to address the constitutional question. Are these amendments put by the Senate out of order because of Section 54 of the 1867 Constitution Act? Bill C–21 is a bill to amend the Unemployment Insurance Act, 1970, 1971 and 1972.

I remind members that the original bill was Bill C–229. It became the Unemployment Insurance Act. It was read the first time on March 10, 1971. That is the original bill which this Bill C–21 wants to amend. The appropriation sought by the bill was recommended by the Governor General and there was an appropriate royal recommendation.

If we look at the clauses of Bill C–21 which the Senate proposes to amend, every one of those clauses could have been moved in 1971 as an amendment to Bill C–229 by any private member of this House. None of those clauses of Bill C–21 seeks to increase the amount or to change the purpose of an appropriation in any way in conflict with the royal recommendation of March 10, 1971.

It follows that the amendments made by the Senate to Bill C–21 do not offend that recommendation. If Bill C–229 adopted by this House on March 10, 1971 were in order, we believe the Senate amendments before this House today, in 1990, which in no case go beyond the appropriation made by the bill originally are in order. Given the fact that all the provisions of Bill C–21 could have been moved in 1971 as amendments to the original Bill C–229, one must ask why Bill C–21 was introduced in this House with a royal recommendation. Bill C–21 was introduced into the House on June 1, 1989 and the royal recommendation attached to it read:

> Her Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in the measure entitled *An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.*

When the officials were questioned in committee on February 5, 1990 as to which clauses of Bill C–21 in their opinion required a royal recommendation—in other words, why Bill C–21 which is an amendment to the original bill required a royal recommendation—their reply was that no analysis had been made by either the Canadian Employment and Immigration Commission or the Department of Justice to ascertain which of those clauses did indeed require a royal recommendation. If any clause required it, we did not find out. They did not know. If none of the clauses amended by the Senate require a royal recommendation in our view, it follows that in so far as those clauses are concerned the royal recommendation of June 1, 1989 is irrelevant. That was the basis of the argument in the Senate.

• (1640)

The Speaker of the Senate found the arguments so convincing that he ruled squarely on Erskine May. He found that indeed the amendments were in order and that they did not impose an extra charge on the public treasury, that Bill C–21 was not a money bill but indeed reduced the charges on the public treasury and therefore was acceptable.

[*Translation*]

Mr. Speaker, I would now like to talk about the amendments or rather the amendment that the government has accepted, Amendment 4(a), and a few more that they accepted with amendments at the same time that they rejected very important amendments which we thought would restore some fairness for Canadian workers in terms of their rights, as we see them, to unemployment insurance benefits.

I would like to talk about the nine amendments proposed by the Senate which we think greatly improve Bill C–21. We do not claim that these proposals are excellent. There is no pretention of excellence but we claimed, Mr. Speaker, that it was possible to improve the bill and it was in that spirit that the Senate made these nine amendments.

As I was saying, the Conservative government, through its minister, showed its intention to make very complex changes to three of these amendments: training, including literacy, the department's plan for regional benefits and fishermen's benefits.

Mr. Speaker, during the debate, Liberal members will elaborate on these amendments and give arguments for broadening them, we hope.

Amendment No. 5 on penalties and Amendment No. 7 on the government's withdrawal from UI funding were rejected by the government. The government intends to oppose Amendment No. 2 on training, the "Henry VIII" clause, Amendment No. 3, Amendment No. 6, privatization, and No. 9, benefits taken over by the government.

For the Senate, Mr. Speaker, these nine amendments are an acceptable compromise on a bill which has many flaws. I need not tell you, Mr. Speaker, that most of those who spoke in committee and in this House tried

very hard to make the government understand the problems with this bill.

I shall explain to you, Mr. Speaker, not in numerical order but in my order of priority, the reasons for each of the amendments made by the Senate.

Concerning the government's withdrawal from the unemployment insurance program, Amendment No. 7, many witnesses who appeared before the committee on Bill C–21 were unanimous in saying that this measure was the most significant of all the proposed changes. Therefore, concerned about the considerable problems which this change might cause, the members of the Senate Committee have proposed Amendment No. 7 to keep section 118 in the Unemployment Insurance Act so that the government would have to fund not all but half the cost of extended regional benefits from general revenues and not the UI account.

Mr. Speaker, we believe that one of the reasons why the government withdrew from funding the program was the Canada–U.S. Free Trade Agreement. When it signed the agreement, the government either did not think, or simply preferred not to tell Canadians, that the United States might consider the unemployment insurance program as a kind of hidden subsidy. To observe its part of the agreement with our American neighbours, the Conservative government had no hesitation in withdrawing completely from the program's financing. To harmonize—that is the term being used—its operations with the United States, this government did not think twice about putting the whole financial burden on Canadian workers and by the same token, had no hesitation in shirking its social and economic responsibilities.

Mr. Speaker, I would urge hon. members to read the latest issue of the magazine *Relations*. It contains an article on Bill C–21 by Henri Sader, "*Le salaire de la peur*". I won't have time to read it to you, but I strongly urge hon. members to read it. I think this article is very worthwhile, and if I had time, I would quote from it at length to make my case. However, I think all hon. members received this publication at their offices. I advise them to read it.

In 1971, the federal government started funding regional extended benefits, the extended benefits paid under section 25, job creation, and section 26, training, as well as net benefits paid to independent fishermen. More specifically, the government started financing benefits to cover the difference between the real unemployment rate and a rate of 4 per cent. Under Bill C–21, the Unemployment Insurance Fund will pay benefits only when the unemployment rate rises above 6 per cent. The government will no longer finance extended benefits based on the regional unemployment rate, fishermen's benefits or its share of manpower programs. In the United States, Mr. Speaker, this bill would make Canada the only industrialized country with a system to which its government did not contribute a cent.

Bill C–21 repeals section 118 of the Act, which concerns government contributions to extended benefits, and also subsection 130(3) which concerns government contributions to net benefits paid to independent fishermen. This change, I think, is a sign that the government is not intent on improving the unemployment insurance system but on harmonizing with our American neighbours while trying to cope with the deficit.

In fact, what this Government has done is save $2.2 billion at the expense of employees who see their unemployment insurance premiums increase from $1.95 to $2.25 on each $100 earned and at the expense of the employers whose share is or will be 1.4 times that of their employees.

Mr. Speaker, allow me to remind the hon. members that, on November 8, 1984, the then Minister of Employment and Immigration, Miss MacDonald, stated, and I quote:

> Any substantial increase of the premium rate would bring about additional costs which would be difficult to bear for the businesses and which would hinder job creation in the private sector.

Mr. Speaker, that leading Conservative cabinet minister was speaking for the government in those days.

In my riding, Ottawa University will be one of the first to be hard hit by such measure.

• (1650)

Indeed, Ottawa university will be forced to seriously review its budget for it will have to pay $400,000 more into the Unemployment Insurance Fund. Mr. Speaker, this may be peanuts for a multinational but, for a university operating on already limited budgets, additional expenditures of the sort have a devastating effect on the progress of an institution already hardly hit by

other measures as negative as the one imposed by this government.

Mr. Speaker, I would like to quote also a comment from the Ontario Coalition for Social Justice. Laurell Ritchie said and I quote: "One can raisonnably expect that, by 1993, when much bigger premiums will be necessary to sustain the Fund, the employers who are now contributing the largest share to the Plan will have managed to ask first of all for new reductions."

Another important argument was raised by Mitchell Kosney of the Social Planning Council of Metropolitan Toronto, and I quote: "This bill removes a major and significant impetus for the government's commitment to full employment policies and on the unemployed and economically depressed regions and workers caught in the growing and ever-increasing number of poor quality, low-paid jobs."

Let us now deal with Amendment No. 8:

[*English*]

Let us deal with the fishermen's benefits amendment. The Senate committee also brought forth three amendments relating to fishermen's benefits. In 1956 the Unemployment Insurance Act was amended to extend coverage to self-employed fishermen. Section 130 of the Unemployment Insurance Act provides that the Unemployment Insurance Commission may, with the approval of the Governor in Council, make such regulations as it deems necessary to establish and operate a scheme of unemployment insurance for self-employed persons engaged in fishing or activities incidental to fishing.

Fishermen's unemployment insurance premiums go into the Consolidated Revenue Fund and benefits are paid from that fund. The government therefore finances from general revenue the difference between the benefits paid and the premiums collected from self-employed fishermen. That is the government's contribution and in 1988 it amounted to $248 million. Some 35,000 fishermen benefited from this program.

By repealing Section 130(3) of the Unemployment Insurance Act, clause 53 of Bill C-21 ends all direct government financing. Fishermen's benefits would in the future be paid from the unemployment insurance account which will funded solely by premiums. The effect is to withdraw government funding of fishermen's benefits and to ensure that expenditure for these benefits is treated on the same basis as expenditure for any other benefit.

There are dangers to the elimination of the status of self-employed fishermen and to cutting back the payments that they will receive. Since the unemployment insurance account would now be responsible for all fishermen's benefits, pressure could be expected to develop from other premium contributors to reduce these benefits and even possibly to eliminate the special status of self-employed fishermen under the act.

In 1988, fishermen paid approximately $18 million into the fund and received roughly $269 million in benefits. The government, therefore, made up the difference from the Consolidated Revenue Fund of some $251 million.

Mr. Earl McCurdy from the Fishermen, Food and Allied Workers Union stated:

> Business groups will be fighting tooth and nail in the years to come to take the position that, since the government is out, they regard themselves as having to subsidize fishermen's unemployment insurance—and they will say "that is not fair and we want out."

Therefore, the Senate is asking the government to continue to finance benefit payments in excess of premiums collected. We believe that would be justified.

The second part of the amendment proposed by the Senate would also have the effect of reducing the vulnerability of fishermen's benefits by making any change to the regulations dealing with self-employed fishermen, subject to the approval of Parliament.

At the present time regulations concerning fishermen's benefits can be changed without Parliament's approval. Unemployment insurance benefits to fishermen could be revoked by the approval of the Governor in Council only.

The amendment proposed by the Senate provides that to stop a motion which proposes to modify the regulations concerning fishermen's benefits, the signature of no fewer than 15 senators or 30 members of this House of Commons would be required.

Members of this House will remember that a similar clause was inserted in Section 87 of the Official Languages Act. We did that a year and a half ago. It was good then. Why can we not do that today? For regulations can be changed at any time by Order in Council, why not have public scrutiny? Why not have this transparence in regard to a program of such importance? We have it in the Official Languages Act. We think it would be a good

idea to have it in regard to regulations affecting fishermen.

The final part of the Senate amendment will repeal subsection 130(4) of the Unemployment Insurance Act. Subsection 130(4) provides that the whole section dealing with fishermen's benefits may be repealed by the government by simple proclamation. That subsection, originally introduced in the 1971 Unemployment Insurance Act, was intended to record the transitional nature of Section 130 of the act until:

> —the plans being developed to protect self-employed fishermen against the uncertainties inherent in the primary fishing industry are ready for implementation.

That is from the White Paper on Unemployment Insurance in 1970, page 11.

Indeed to give the cabinet that power to revoke or to change the regulations without consultation with Parliament was supposed to be an interim measure. However the fishermen's special status, well deserved by the way, remained largely unchanged and still today is transitional. The proposed amendment to the act would make it permanent and would eliminate the uncertainties inherent in this act. To this effect the Senate committee report says:

> Your committee believes that in view of the crisis in the Atlantic fisheries, concrete steps should be taken to protect the benefits now provided to self-employed fishermen and to provide assurance that the government is in fact committed to the maintenance of this vital program.

[*Translation*]

Mr. Speaker, in 1977, the Unemployment Insurance Plan adopted a variable entrance requirement which tied the number of insurable weeks of employment required for benefits to the unemployment rate. To be eligible, those who lived in a region where the unemployment rate was less than or equal to 6 per cent had to have at least 14 weeks of insurable employment. In all regions where the unemployment rate was greater than 9 per cent, a minimum of 10 weeks of work was required. Every year, the government presented legislation which was adopted by Parliament to extend the variable entrance requirements. In 1989, the Conservative government refused to continue with this formula, Mr. Speaker; it refused in the House to extend this variable entrance requirement for Canadian workers. The Conservatives refuse to pass this legislation, thereby penalizing thousands of jobless Canadians.

The Conservative government has contemptuous attitude towards unemployed Canadians. The Conservative government had a choice between maintaining the present support for the unemployed and adopting an attitude of confrontation with the Senate.

• (1700)

And good God, Mr. Speaker, with the minister's statement today, we know what decision they have made. They decided to go for a confrontation with the Senate.

The Prime Minister chose to abandon the unemployed, proving once again his indiferrence to the less fortunate in our society. If the Prime Minister were in good faith, Mr. Speaker, he would have allowed the bill extending the variable entrance requirement to pass as was proposed in the House not very long ago, in January.

Passing Senate Bill S–12 would have enabled workers who lost their job to still be eligible for the existing unemployment insurance benefits after January 6, 1990.

Mr. Speaker, we deplored it at the time and we still deplore the government's attitude to Canada's unemployed.

Bill C–21 proposes to introduce a modified version of the variable entrance requirement. Instead of 10 to 14 weeks, 10 to 20 weeks of insurable employment would be required. All regions with unemployment rates of 6 per cent or less would require as many as 20 weeks of insurable employment, while only those regions with an unemployment rate of more than 15 per cent would retain a minimum entrance requirement of 10 weeks.

Bill C–21 proposes a new, 62–region system. Under this system and the new entrance requirements, according to the report of the Special Committee of the Senate on Bill C–21, claimants in 45 regions would require more than 14 weeks of insurable earnings, while the minimum 10–week entrance requirement would apply only in 8 regions.

However, under the old variable entrance requirement rules, the minimum would have applied in 32 of these regions. Of the 13 regions in Atlantic Canada, only 5 would qualify at 10 weeks, under Bill C–21, as compared to 12 regions under the old rules. That is more than twice as much, Mr. Speaker.

Bill C–21 also changes the benefit structure. In most cases, the proposed change will reduce the maximum duration of benefit entitlement. For instance, according to the information given in the Senate report, claimants in central Nova Scotia, Sherbrooke, Hull right next door, St.Catharines, Sudbury, northern Ontario, southern Manitoba, and Regina would lose up to 13 weeks of benefits. More than 3 months of benefits would be lost by workers who are seeking employment.

Mr. Speaker, claimants in Halifax, Calgary and Vancouver would lose up to 12 weeks of benefits. Workers in St. John's, Newfoundland, Saint John, New Brunswick, Fredericton, Moncton, Quebec City, Trois-Rivières, Montreal, Chicoutimi, Ottawa, Windsor, Saskatoon, Edmonton, Victoria and Vancouver Island would all lose up to 11 weeks of benefits.

Surprisingly, claimants in regions with an unemployment rate of up to 12 per cent would lose up to 11 weeks, while regions with an unemployment rate under 4 per cent would lose only 3 weeks. It is difficult to reconcile this outcome with the professed objective of Bill C–21, which according to the government, and I quote:

> —was designed to ensure that there would no impact in areas where there was high unemployment.

I was quoting Mr. Barry Carin, Assistant Deputy Minister, Employment and Immigration, from his testimony on February 1, 1990, before the Senate Committee.

Nevertheless, Mr. Speaker, the amendments to entrance requirements and benefit duration provided under Bill C–21 will have a very definite impact on many of the regions I just mentioned.

[*English*]

Bill C–21 will hurt the unemployed in just about every region of the country. The federal government, in the document *Success in the Works* presents some estimates of the impact of these new measures. In Table 13 in that report, on page 25, we see that the age group hardest hit by Bill C–21 is 25 to 34, absorbing a $450 million reduction in benefits or 38 per cent of the cuts. Table 15, at page 27, shows that 530,000 unemployed Canadians would be affected by the new bill to a total sum of $800 million. The government calls this "savings". This is the biggest attack on the backs of the least fortunate of our society.

Let me remind you of what the Prime Minister said in the last general election. I want to quote because this is very important. In *The Sunday Star* of October 16, 1988, he said:

> As long as I am Prime Minister, social benefits will be improved, not diminished, by this government.

So much for that. Now this same government is saying to Canadians that it will save $800 million on the backs of these 530,000 Canadians who would be affected by this legislation.

We must keep in mind that these government numbers are based on assumptions. What I have just quoted I have taken from the government's own books. We must keep in mind that they are based on assumptions which will affect Canadians more onerously than anticipated. We can certainly question these figures of the government. That is the role of the opposition.

I just want to quote the firm Global Economics which was commissioned by the Liberal Party of Canada to examine the proposed changes. The conclusions of this study differ significantly from the government's study.

Whereas the government predicts a $1.2 billion decrease in unemployment benefits—$800 million in benefits lost plus $450 million in penalties—the Global Economics study forecasts a drop of $1.5 billion, that 775,000 Canadians will lose benefits with an average loss of $1,486. This loss of benefits is most pronounced in Newfoundland, with an average loss of $2,429; Prince Edward Island with a loss of $2,373 and New Brunswick with a loss of $2,011. Atlantic Canada and Quebec will be the hardest hit. Quebec will lose $507 million as a result of this bill. Nationwide, 80 per cent of the net losers will be earning less than $25,000.

The Canadian Centre for Policy Alternatives also produced a study which yielded results much closer to those of Global Economics' than those of the government. This study concludes that the decrease in benefits

will amount of $1.8 billion, as opposed to $1.2 billion predicted by the government.

The regional impact on the Atlantic provinces will be much worse than the government predicts. The provinces are pessimistic about the effects of C-21. In Newfoundland, according to the provincial study, 19,000 people may not meet the new strict entrance requirements. The Minister of Employment and Labour Relations, Ms. Patricia Cowan is quoted as saying:

> Bill C-21 is probably the most devastating thing to come our way in Newfoundland and Labrador, for a long time.
>
> Without immediate attention, this bill will condemn not hundreds, but thousands of Newfoundland families to uncertain futures where poverty and welfare will be commonplace.

Since the last general election, the Conservative Government has slashed regional development to the Atlantic provinces, has dismantled VIA Rail, has done nothing about the crisis in the fisheries and has pushed, with all steam ahead, on Bill C-21, regardless of the consequences.

• (1710)

[*Translation*]

Mr. Speaker, Bill C-21 provides for a major transfer of funds from the Unemployment Insurance Fund to training programs. This is one of the major objectives of Bill C-21, which provides that every year, the minister will table in Parliament a plan explaining where the funds will be spent.

The question is, and it is a very important one, where the funds earmarked for training programs will be spent. This question is particularly important since there is no provision in this respect in Bill C-21. No one knows where the funds will be allocated.

What happens if Nova Scotia loses $40 million in benefits when Bill C-21 is passed? Will the province recover those funds in the form of training programs? Will Quebec recover $507 million in lost benefits? Noboby knows. The Minister of Employment and Immigration is unable to answer these questions. The deputy minister said in committee that he did not expect any radical changes in the distribution of funds. The government does not seem to know one way or another and is not prepared to provide the necessary explanations.

The Senate committee proposes an amendment to provide more information on the transfer of funds from the Unemployment Insurance Fund to training programs. Amendment No. 4, which was partially accepted by the government, would make it possible to control distribution of funds, to determine how losses and compensation are shared among the regions. To simplify comparisons between previous expenditures and proposed expenditures, the Senate committee recommends that the plan should indicate expenditures for each of the three years preceding those to which the plan applies. That seems to make sense and it is not terribly complex.

Bill C-21 just says that the plan would have to be approved by the Governor in Council and there is no guarantee that parliamentarians could speak on the planned expenditures and the allocations of funds in the affected regions. The legislation should include a provision that parliamentarians could not only consider the plan but also approve it, Mr. Speaker.

Amendment No. 1, which the government has accepted in principle, concerns literacy training. Mr. Speaker, illiteracy, poverty and unemployment are closely related. Recent estimates show that one Canadian in four is totally or functionally illiterate. Nicole Boily of the Canadian Institute for Adult Education told the Senate Committee:

> (The problem you raised of) young people who drop out of school and who are doomed to short-term, unskilled jobs without any security (is a very real one throughout Canada). —We cannot neglect those who already find themselves in this difficult situation.

Still quoting:

> I think it is very important that we provide basic education for young people.

Mr. Speaker, there seems to be a strong negative correlation between education and unemployment. I want to quote Tracy Westell of the Ontario Literacy Coalition who said recently:

> —there is a clear connection between lack of education and unemployment. In the regions in Canada where unemployment is high, the rate of illiteracy is also very high.

Mr. Speaker, according to Bill C-21, unemployed people who receive UI benefits will not be eligible for literacy courses; if they took such courses, they would lose all their benefits. This defies all logic. How can the workers of tomorrow face the technological challenges

of tomorrow if they cannot acquire the most basic knowledge?

I think that the government, by saying that it supports the principle, is changing Bill C–21 a little and we will see what happens in the coming days, Mr. Speaker, so that we can comment further on this change.

Senate amendment No. 1 would allow workers entitled to unemployment insurance to enrol in basic training courses, including elementary level proficiency courses, while remaining eligible for benefits. They propose that Bill C–21 lines 37 to 40 be striken out and replaced by the following, and I quote, Mr. Speaker:

> For greater certainty, the words "course or program of instruction or training» in subsection (1) include a course or program of instruction or training in basic skills or literacy.

Again, Mr. Speaker, to me this seems logical and essential.

I now go on to amendment No. 5. Some of the Unemployment Insurance Act provisions prescribe that a claimant is disentitled for a given period of time for refusing suitable employment or quitting the job without valid reasons.

Under the existing statute a claimant may be disentitled to benefits for a maximum of six weeks. Bill C–21 provides for a much stiffer penalty, ranging from a minimum of seven weeks to a maximum of 12 weeks, double the current maximum.

Mr. Speaker, there is no minimum under the existing law. In addition the proposed legislation would authorize the UI Commission to reduce the rate of benefits to 50 per cent of insurable earnings, down from 60 per cent now. Finally, any part of the disqualification period which has not been served might be deferred for six years.

According to the government figures the new provisions would make it possible to save—Mr. Speaker, I imagine that means "saving" for the government—$450 million whereas 250,000 unemployed workers will lose a minimum of seven weeks of benefits. How can the government justify such drastic treatment of the unemployed? How can the government justify forcing an unemployed worker to wait for up to three months—twelve weeks—before drawing his UI benefits?

Doesn't the Minister know that the big losers in her reform are poor, that 80 per cent of them earn less than $25,000?

An Hon. Member: Shame!

Mr. Gauthier: Three months without pay can be very difficult when one does not have any savings, Mr. Speaker. Isn't it a little too long?

Maybe the minister can live for three months without any income coming in but the unemployed Canadians she proposes to penalize unfairly cannot afford it. That is why we hope the government will change its mind and accept the Senate amendment.

Harassed workers will be afraid to quit their jobs. Harassed workers who know they will lose everything if they quit their jobs or look for employment elsewhere will certainly hesitate and even suffer from fear of losing all benefits and other forms of income for themselves and their families for three months. We find such a severe penalty on families earning less than $25,000 unfair and almost inhuman.

Mr. Speaker, the amendment proposed by the Senate would set the maximum disqualification period at six weeks and the period for carrying forward any portion of a disqualification not served at two years instead of six.

We know it is not perfect but we think it is reasonable since there is no definition of just cause in the legislation to determine whether workers have valid reasons for leaving. Moreover, the disqualification period is two weeks on average in the case of a resignation.

Mr. Speaker, I would now like to talk about Amendment No. 2, allocations of funds from the Unemployment Insurance Fund to training. Although we approve of the idea of offering workers some form of occupational training to increase their capacity to earn a living, we nonetheless find absurd that the government would have to draw from the Fund in order to finance training. We suggest that the governement should not finance training programs by cutting Unemployment Insurance benefits.

• (1720)

As Mrs. Hélène Chauvigne, from *Mouvement Action–Chômage de l'Outaouais québécois*, pointed out when appearing before the Committee: "Nothing assures us that the people whose UI benefits will be reduced are

going to benefit from the training they will be paying for".

To quote another witness, Mrs. Shirley Carr, president of the Canadian Labour Congress: "If the Bill is adopted, we believe, and we have grounds to believe, that the $2 billion in UI premiums which would be redirected to training programs will be used for a large part to replace the Canadian Jobs Strategy. Worse still, that money could be used to finance the relocation of the unemployed, the wage subsidies for businesses and other programs that will be of no help to the unemployed or to the communities".

Mr. Speaker, the first objective of the unemployment insurance plan is to provide income support to workers temporarily out of a job. To use the funds of the plan to buy "training courses" or to strart a business is, in our opinion, contrary to the first objective of the plan. In all fairness, these initiatives should be financed by general revenues, that is to say out of the Consolidated Revenue Fund.

That is the reason why the Senate committee proposes to strike out lines 13 and 14, as well as lines 38 to 45 on page 14 of Bill C–21. To strike out line 8 and substitute "graph (1)(b) may provide that" on page 15. Amendment No. 2 would prevent the allocation of moneys from the unemployment insurance fund to training.

Furthermore, the fact that the government is prepared to give up to $15,000 to people willing to relocate in areas where unemployment in lower is evidence of the importance, for the government, of "relocation" of people out of regions which are less developed or where industry is cyclical. This approach in Bill C–21 would lead to depopulation of the regions most affected by unemployment. What the gouvernment is proposing is exile from underdeveloped areas.

What is even more troubling, if we follow the rationale of the government, is that claimants would be financing their own moving with the savings realized by cutting benefits. That is why the Senate is opposed to this clause and proposes to strike out lines 34 and 35, on page 14, and substitute the following: "tunities for employment are greater, or moving to".

Mr. Speaker, the Senate Committee also found unacceptable that in Bill C–21 the normal appeal procedure should not apply to the administrative decisions governing the new training methods. We felt that this provision could prove detrimental to the victims of discrimination and minorities. To grant a right to appeal decisions made on the basis of these provisions would be to respect the principles of justice and fairness normally accepted in this country. Therefore, lines 44 and 45, on page 14, as well as lines 1 and 2, on page 15 of Bill C–21 should be struck out.

Mr. Speaker, I come now to amendment No 3, the so–called "Henry VIII" clause. If the Government intends to adopt a policy requiring the unemployed to finance their training programs, it should make sure that the regulations are consistent with the essential provisions of the legislation in this area. We suggest that granting of such discretionary powers on a fund approaching $2 billion is unjustified. The provisions respecting the establishment and operation of the assistance scheme described in Paragraph 26.1(C) are an important component of Bill C–21. They represent the main benefit for which the unemployed would foot the bill following the very significant cuts in their benefits. Yet, the unemployed could not rely on the new schemes offered because under clause 26.1(3), the Unemployment Insurance Commission would have full authority as far as the detailed definition of these schemes is concerned.

This paragraph states that "any scheme established under subsection (1) may, with respect to any matter, be different from the provisions of this Act relating to that matter". If it is called the Henry VIII amendment, it is because there is nothing in this bill which makes it possible for the administration to legislate when there is no provision authorizing it.

As was mentioned by Nicole Boily, from the Canadian Institute of Adult Education, "this paragraph opens the door to infinite possibilities the limits of which would come apparently from the fund's budget".

So, amendment 3 would strike out lines 1 to 6, page 15, of Bill C–21.

Now, Mr. Speaker, I wish to talk about amendment 6 as it relates to the contracting out and privatization of certain activities.

Bill C–21 would give the Commission the power to delegate to third parties certain tasks under the Unem-

ployment Insurance Plan. According to clause 49 of the Bill, any amount payable by the Commission for such services would be considered implementation costs, not subject to the 15 per cent limit applicable to training courses. Inevitably, this would further reduce the Unemployment Insurance Fund moneys used to guarantee income security for the unemployed and constitute a further step towards privatization.

While denying that the privatization of UI is a priority, the government is privatizing it by the back door. Moreover, after imposing a 15 per cent limit on expenses other than income security benefits, why would the government create a loophole through which one could circumnent its own policy? Currently, payments to third parties come from the Labour Force Development Strategy. With Bill C–21, these expenses would be paid for by the Unemployment Insurance Plan.

The Senate Committee recommends to strike out lines 37 to 43, page 31, and lines 1 to 6, page 32. Amendment no. 6 would not prevent the making of agreements with third parties but would insure that expenses incurred under such an agreement would be paid for by the unemployment insurance account reserved for expenses not related to income security.

[*English*]

In conclusion, we have heard from many groups and organizations. Today the Liberal caucus heard the joint statement of the labour coalition of unions on Bill C–21. I recommend this reading to all members of the House. I think it is a very interesting position.

I was hoping a government member would ask me to read that, but since they do not insist on me reading it, I possibly could table it for their edification. I could have it printed as an appendix to *Hansard*, if they will give unanimous consent.

As my friend says, those who can read may want to read this document. It is a very interesting one, put out by the coalition on Bill C–21. If you insist, Mr. Speaker, I could read it into the record. I will leave it to a member of my caucus to do that and to comment positively on it some other day. I am sure there will be unanimous consent for us to recognize the importance of the contribution that the unions play in opposing Bill C–21.

• (1730)

Although many groups, organizations and Canadians from every section of Canada, have maintained that Bill C–21 should not be adopted, the Senate has proposed those amendments which the government should take into consideration and accept for the benefit of all those who would be affected by the proposed legislation.

These amendments brought forward by the Senate would assure a continuation of government contributions to the Unemployment Insurance account and recognition of the federal government's responsibility for regional unemployment. They would also ensure that self–employed fishermen are given continuous protection under the Unemployment Insurance program, and that claimants residing in high unemployment regions are granted better income protection.

By way of these amendments, Liberal Senators sought to reaffirm the principle that unemployment insurance should be used for income maintenance and not for training courses and financing entrepreneurial activities which should be provided in our view, by the government.

I want to thank the Senate for its very important contributions. We will participate in this debate in the hope and with the wish that the government will see the light, will find its way to accepting all of the amendments. To that effect, I move, seconded by the member for Kingston and the Islands:

> That the motion be amended by
>
> (1) deleting the words "amendment 4(a)" in the first paragraph and substituting the words "amendments 1, 2A, 2B, 2C, 3A, 3B, 4A, 4B, 4C, 4D, 5A, 5B, 6, 7, 8, and 9" therefor; and by
>
> (2) deleting all the words after the words "Commission Act" in the first paragraph.

The Acting Speaker (Mr. Paproski): I will take the amendment under advisement and rule on it later.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, before I get into the main body of my speech, I cannot help but comment on the choice of words of the minister when he introduced the motion and the way he referred to the Senate and what he perceived the Senate as having done to Bill C–21. He referred to gutting and violating. It is no surprise to me that those are words he

would choose after having gutted the Unemployment Insurance Act and violated the Canadian public.

In my speech after the introduction of this bill, I referred to the Dalton gang of Barbara, Michael and Brian riding into town to loot the UIC vault. Now it appears that they are having a shoot-out with the Liberal Senate and unemployed Canadians across the country are running to get out of the cross-fire.

The government response to the Senate does nothing to respond to the serious concerns of people across this country who appeared before the House committee. They told the government that blaming the unemployed for unemployment just is not acceptable. They told the government that they had believed the government when it promised during the last election campaign that it would not touch unemployment insurance. They felt betrayed and that they had no recourse but to look beyond the House of Commons for assistance.

It is not surprising then that the government finds itself in this position. It did not listen to the groups that told it of the devastating and harmful impact of Bill C-21. It did not listen to recommendations of an all-party committee, after the Forget Commission, nor did it listen to the minority report to the Forget Commission itself. The government did not even listen to the minister's own advisory committee which, in report after report, recommended enhancing the UI system, not destroying it. That this government does not listen will be no surprise. It should also come as no great surprise that the Liberals do not listen very well either.

Granted in this package of amendments we do find some things which could be supported, such as allowing people to collect UI during basic literacy training. That is something the New Democratic Party has supported all along. Extended benefits for fisheries during this time of crisis is also something we could support. But these amendments, taken as a whole, still represent a fundamental cut to benefits and support for the unemployed.

The government is tinkering, it is putting sugar coating on a poison bill, to quote the National Action Committee on the Status of Women. Therefore, we cannot support it.

Had the Liberals really wanted to offer an alternative to Canadians, they had the opportunity. Hundreds of groups appeared from across the country and offered good and solid advice. The Liberals have never been friends of unemployment insurance and during their mandate ushered in cuts to benefits and significant withdrawal of federal money from the program.

Let us review some of the Liberal record. In 1976, the Liberals reduced the maximum coverage from 75 years of age to 65. The Liberals also reduced the benefit rate for claimants with families from 75 per cent of insurable earnings to 66 and two-thirds. In 1977, they increased the number of weeks needed to qualify for UI from eight weeks to between 10 and 14 weeks. In 1979, they further reduced the benefit rate to 60 per cent.

The Liberals also began to require that some people pay back UI benefits and made a further increase to entrance requirements for new workers and people who had been laid off in the previous year. Finally, in 1980, the Liberals began to withdraw funding from UI and to shift more and more of the costs onto workers and employers.

Everything contained in this government legislation before us was ushered in by our Liberal colleagues in this House and by their colleagues in the Senate. There is no real friend of the unemployed there.

The Dalton gang, Barbara, Michael and Brian, have not spent much time riding the range since the bill was introduced. Perhaps the sun got into their eyes and has clouded their vision as to the desperate situation workers face in all parts of the country due to their free trade giveaway, tax grabs and cut-backs. Let us clear away the mist.

Since this bill was introduced, we have seen a crisis in the Atlantic fishery. Here the government proposes to get out of funding benefits for people engaged in fishing. The government proposes to use part of the premiums it collects in the Atlantic to pay for the Community Futures Program, a program the minister's own advisory committee says does not work very well. The minister, in defending her bill before the Senate, tells us that, according to her own experience, people in Newfoundland could find jobs if they had to. Maybe the minister has spent time looking for a job in Newfoundland and maybe she could share her experience with the Newfoundland Deputy Minister of Labour and tell him

where the jobs are, because he has said categorically that his studies show they do not exist.

In Ontario, with free trade sucking jobs south of the border, this government will put people off the UI rolls and onto the welfare rolls. That is not much of an improvement. It is not an improvement at all, because this government has just decided to cut payments for welfare because these people live in a rich province. I suspect that the people living in the rich province who will not be receiving unemployment insurance and who will be on welfare are really not aware how well off they are.

• (1740)

In Quebec, we have seen a significant rise in unemployment, but if this bill were in place today, thousands of workers there would have less time to find a job before their benefits ran out. In the west, in my own province of Saskatchewan, Premier Grant Devine has felt it necessary to put forward his own aid package as it is clear that the federal government has nothing to offer farmers in distress.

As I see it, this government has only one option. It is time to stop playing cowboys with the Senate and start taking responsibility for the mess they have made in this country. They should stop trying to blame unemployed workers for the crisis the government has created. This government never had a mandate to change UI legislation in the first place. It should introduce variable entrance requirement legislation to give relief to workers in areas of high unemployment. The government should accept the federal court ruling on parental benefits and introduce extended maternity benefits as well.

If it truly wants to support basic literacy training while people are on UI and support special benefits for people who fish, we will support it, providing that these initiatives are tied to variable entrance requirement legislation and not this harmful, poisonous bill.

Finally, the government and the Liberals should pack up their toys and call it a day. The Canadian people are tired of their games and, frankly, so are we. Someone has to tell this government enough is enough. Someone has to say no to a bill that cuts benefits to people who need them most, and no in response to the Senate, no to the Liberals who have not listened and are no real friends of the unemployed, and a final no, because it is the fourth time closure has been introduced on this bill, an unprecedented disregard for democracy.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): Order, please. I would like to rule on the admissibility of this motion, just in case the hon. member may have a subamendment. If he would please take his seat for a minute.

I believe the motion is in order. I will rule it admissible.

MEASURE TO AMEND

Mr. Fisher: An hon. member from across the way stated: "the safety net of unemployment insurance and welfare programs is there just for the times we are now experiencing. Let us leave that safety net in place and recognize that there will be an increase in cost there". That is the quote from the hon. member across the way.

Will Michael remember his words, sit down with his colleagues, Barbara and Brian and stop trying to turn the social safety net into a tightrope?

In conclusion, I would reiterate that this bill must be withdrawn.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I would like to ask the member who just spoke for some clarification. I am having a little difficulty understanding the position of the New Democratic Party on this. The member on the one hand disagrees with the Liberal Senate and on the other hand disagrees with the government and says the bill has to be withdrawn. That is very nice and we agree with him that the bill has to be withdrawn but the fact is the government is not withdrawing it.

We are dealing with a motion now to go back to the Senate. If the member had listened to the motion that was read he would realize that we are dealing with a government motion that purports to approve one of the Senate amendments but disapproves of the others. While we are reluctant to say that the Senate amendments are all that are needed to this dreadful bill, and we agree that it should be withdrawn, we have to deal with the motion now on the floor.

I am wondering if the member of the New Democratic Party by his participation in the debate today is urging the Senate of Canada to reject this bill and if he feels that that is an appropriate course.

Mr. Fisher: I thank the member for the question, Mr. Speaker. What I am urging is that the government listen to what the Canadian public has said. I know the minister went through a long litany: "No, no, no." Repeating words three times can become a habit I guess. It is contagious.

The Canadian public told the government over and over again that these changes to unemployment insurance were absolutely unacceptable. The Canadian public told the government that to reduce the benefits which people would receive under unemployment insurance and to increase the amount of time a claimant had to work in order to qualify for them was unacceptable.

These changes, together with a smoke and mirrors explanation that education was going to be increased, left the implication that anyone who was unemployed, even anyone who never had a job, would be able to seek training now that the government was making these changes. Of course, that is patently untrue.

Although there may be a slight increase in the number of people who will be able to receive training as a result of the changes to the unemployment insurance, there was no assurance that anywhere near a significant number of people would receive any amount of significant training at all. As a matter of fact, if anything, it came to a point where they were dividing those who had never been employed and were hoping to find employment through training, and those who were insurably unemployed. The government is actually I think seeking to divide and conquer that way.

Certainly, for those who had never been employed the money that the government is now purporting to have available for them is money that it had previously put into unemployment insurance. It is now going to be giving to these people with no assurance that any significant number of people would be trained as a result of that, and no assurance that they would be able to find jobs as a result of that training. It is just the old game of smoke and mirrors.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): As I understood the question, the hon. member was asked whether or not he thought the Senate should reject this bill. I am really curious to hear the NDP position. It is a simple, straight question and I am wondering if the hon. member would answer it for us.

• (1750)

Mr. Fisher: Imagine this, Mr. Speaker,is it at all possible that we have a collusion here between the Liberals and Conservatives on the issue of unemployment? Obviously not.

I would be more than pleased to answer the question and I now will. What we are saying and what the groups of people who spoke to you this morning said, these changes are nothing but cosmetic. They will not suit the situation at all. They are unacceptable. Bill C–21 is the issue and Bill C–21 has to be defeated.

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have quotes from the joint statement of the labour coalition on Bill C–21 and I am sure the member was given a copy this morning. I invite him to read it attentively. This is signed by Shirley G.E. Carr, President, Canadian Labour Congress; Louis Laberge, President, Quebec Federation of Labour; Jim McCambly, President, Canadian Federation of Labour; Gerald Larose, President, Confederation of National Trade Unions; Kitty O'Callaghan, President, Canadian Teachers Federation; Lorraine Pagé, President, Quebec Teaching Congress; Kathleen Connors, President, National Federation of Nurses' Unions; Louis Lacroix, President, Canadian Conference of Teamsters. They state:

> The Senate amendments improve the Bill, but they do not go nearly far enough.
>
> If the government does not withdraw the legislation, we believe the Senate should kill the bill.

Does the member understand that? Does he approve that the Senate should kill the bill?

Mr. Fisher: I think it is an excellent idea if the Senate kills the bill. Kills the bill. The amendments which the Senate has brought in do not go anywhere near far enough.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. Minister of State for Employment and Immigration.

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, first, I have notice of closure to deliver:

> I give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming debate on the motion of the Leader of the Government in the House of Commons in relation to amendments made by the Senate to Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act, and on any amendments proposed thereto, I will move that the debate shall not be further adjourned.

[*Translation*]

Mr. Speaker, in recent months you have been exposed to impassioned rtheoric on Bill C-21. You have heard all kinds of comments, ranging from very objective on one side of the House to more subjective on the other. You have heard the worst epithets one can address to a piece of legislation. And a special committee of the other place was appointed to study our bill.

As was to be expected, a majority of the members of this committee condemned the intent of the changes we want to make in the Unemployment Insurance Act.

Some of the proposals from the other place, Mr. Speaker, may be very worthwhile. In fact, this government has once again shown its flexibility by offering to accept certain amendments, including those on fishermen and literacy, areas we consider to be among our top priorities.

Unfortunately, a number of other recommendations were made without any thought for Canada's financial resources. It is easy to make commitments, especially when one is not elected and when managing Canada's economy is the least of one's concerns. This reminds me of the 1984 election campaign. In fact, Mr. Speaker, some of the senators who are opposed to Bill C-21 were part of the same government that left us with government finances in a very precarious state. Fortunately, since 1984, Canadians have opted for responsible government.

As I was saying, I remember the 1984 election campaign, when a party leader who has since left the House resorted to similar arguments during a televised debate: No, he said, not $30 million to improve the status of women, but $300 million. Of course the Prime Minister's answer was: My friend, where is your magic wand?

You will recall that our ex-party leader quickly changed the subject.

[*English*]

Whoever said that history repeats itself was perhaps capable of time travel, because that is exactly what is happening in this House. Once again, our hon. colleagues in the other Chamber are suggesting a solution that would contribute to increasing the national debt: spending public funds wastefully. They have a regrettable tendency to assign a monetary value to a problem rather than seeking the problem's true cause and applying sound and lasting remedies.

[*Translation*]

Mr. Speaker, I must admit I have trouble understanding the logic of the liberal majority in the other place. On February 14, Senator Jacques Hébert told *La Presse* that the Liberal senators had no intention of having a long, drawn-out debate on Bill C-21.

In the same breath, Mr. Hébert said that personally, whatever his colleagues would do, he was ready for a long, hard fight. I simply don't understand.

Mr. Speaker, we must not forget that the House of Commons has a duty to consider a matter that concerns the majority of the citizens of this country. It is not a place for flaunting one's moods in front of the whole country.

Mr. Speaker, instead of designing strategies to break down the democratic process, the senators would have been well advised to really scrutinize the Bill before them. All of us on this side of the House know that political and economic observers in this country, while reasserting the need for training our manpower, recognize that the proposed changes will make unemployment insurance into the scheme it was intented to be in the first place. These observers recommend that we go ahead with Bill C-21. Opinion polls show the majority of Canadians are also in favour of this bill.

Unfortunately, we are back to where we started four months ago. In the meantime, our government had to abandon the idea of approving throughout the country variable entrance requirements for unemployment in-

surance benefits to claimants, wherever they live in Canada. Consequently, every worker must have worked 14 weeks before being eligible to benefits.

Mr. Speaker, every day, hundreds of people are denied their legitime right to UI benefits, because of little schemes like this, because of this obstruction which paralyzes the regular business of the House.

I simply cannot accept senator Hébert's comments about Bill C–21 not taking regional disparities into account.

The more the senators delay Bill C–21, the more harm they do to areas in Canada where unemployment is very high; the more they delay implementation of programs to reduce the gap denounced by Economic Council of Canada, the more the workers in these very regions will be penalized. Mr. Speaker, do we have to remind members that with Bill C–21 workers in regions with a high unemployment rate will be eligible to unemployment insurance benefits after only ten weeks of work?

If Bill C–21 had been enacted before January 1st, I know full well that the unemployed in areas with high unemployment would be treated more fairly.

Again, our reform is sensitive to fluctuations in the unemployment rate.

[*English*]

For example, in Corner Brook and Gander, Newfoundland, where the unemployment rate is in excess of 17 per cent, the variable entrance requirement prescribed by Bill C–21 would be reduced to 10 weeks instead of the 14 weeks currently in force. The same thing will apply in at least 14 other regions across the country.

[*Translation*]

Meanwhile, the democratically elected government has to wait for the other house, composed of non–elected senators, to let go of Bill C–21 and to let us take our responsabilities as members who have been elected to represent and manage this country.

By accusing the government of not taking regional disparities into account, the other house pleads ignorance and refuses to accept the democratic and economic changes that have occurred in our country over the past 12 years.

Again, the variable entrance requirement, which is one of the main amendments proposed in Bill C–21, takes regional disparities into account. One really has to wonder if senators have read the bill.

• (1800)

Mr. Speaker, when we announced our intention to end the tripartite funding of unemployment insurance, the Liberals in the other place once again tried to stir up the masses. Without going into the reasons why we were stopping our contributions to the UI Fund, they cried treason and claimed that the government was "abandoning ship".

I just heard an explanation that is totally false. Our decision to withdraw from UI funding has absolutely nothing to do with the free trade agreement that we signed. Once again, it is obvious that they have not done their homework. How can the government fund UI? Go on borrowing year after year, thereby increasing the deficit and the taxes to pay this growing debt? That is totally absurd and irresponsible. Another falsehood coming from my colleagues opposite and in the other place is that UI will be cut. That is really overstating and misrepresenting it. How many times do we have to repeat that Bill C–21 will not reduce the scope of the UI Plan at all? We are not cutting anything. Instead, we want to reallocate $800 million from the UI Fund to training programs and assistance for relocation, entrepreneurship and re–employment. This is no doubt the measure which best illustrates the distinction our government makes between funding active and passive measures. Providing funds to maintain the dependency of recipients on the state is a passive measure.

[*English*]

Upgrading advisory services, providing access to courses, and paying extended benefits to those who participate in training programs: such measures are what we mean when we talk about giving an active aspect to one of the most important programs in Canada. We believe that it is unacceptable for employers to be short of qualified labour at the same time so many people are looking for fulfilling jobs.

Even in my riding we are searching for these kinds of people. We are seeking to introduce strategies and mechanisms designed to encourage beneficiaries to get off the Catch–22 and achieve financial independence. As

many people have understood, we are stressing long-term lasting solutions.

[*Translation*]

The late Félix Leclerc appreciated the irony of a certain kind of government we will have no part of. "The best way to kill a man" he used to say, "is to pay him for not working". Our mandate is to find ways to help the unemployed find in themselves the resources that will change them into more dynamic individuals, because the challenges ahead require the involvement of this country's total human resources.

Mr. Speaker, if that political will of ours keeps on being labeled an abdication of our responsibilities, as the other place suggests, this is bad faith and bad partisanship.

[*English*]

I would like to mention another set of changes to the Unemployment Insurance Act which millions of Canadians are impatiently waiting to see adopted. I am talking about the in-depth changes to the current maternity, sickness, and parental benefits program. These matters are of special importance to me. Because of the important human dimension of the relevant measures in Bill C-21—

[*Translation*]

The bill provides for the maintenance of 15 weeks of maternity benefits during the period surrounding childbirth. Added to this are an extra 10 weeks of parental benefits to natural or adoptive parents. Under the flexible provisions of the new legislation in some cases the total period of combined maternity, parental and sickness benefits available to parents could be extended up to 30 weeks.

What did the special committee of the other place have to say on that? A lot of good, blended with the cynicism that permeates the whole report. The government should have done so much sooner, or so they said. My answer is that this government works seriously, using in depth analysis and, more importantly, consultations with all the parties involved. When the government decides to bring in amendments, it does not do so within the narrow context of a single aspect of the Act. This is because, quite simply, all the provisions in the Act are interdependent.

Our concern as far as the unemployment insurance is concerned, goes back many years ago, following the tabling of the Forget Commission's report whose findings did not probably meet the expectations of the time. Then there were the Grandpré Commission's recommendations which greatly inspired the government's Labour Force Development Strategy. The very thorough consultations carried out by this Commission throughout Canada had emphasized the urgent need to intensify the training and retraining of our labour force, in order to fully benefit from all the opportunities created by the Europe 92 free trade accord, in short, the globalization of world markets.

Our Labour Force Development Strategy is made up of an admittedly rather complex package of measures the scope of which compels us to look beyond the beginning of the 21st Century. It would be asking too much than to expect the unconditional support of the other place whose members include many who have been influenced throughout their lives by governments whose views did not go beyond their constituents' immediate concerns. That was really the issue over these past few months, during the endless debates surrounding the proposed amendments to the unemployment insurance legislation.

As other government speakers, I have tried to convince the elected and non-elected oppositions that all our actions dealing with labour-related issues will now be interconnected. The amendements to Bill C-21, therefore, are no exception, because they are consistent with the main themes which presided over the establishment of our Labour Force Development Strategy.

Employers' and employees' organizations have all expressed almost the same concern. Morally, we do not have the right to let our labour force lag behind that of other industrialized nations. As competition intensifies, it would be a mistake to close our eyes to the reality of world markets.

Training, retraining, skill improvement, increased flexibility on the part of both employers and employees are all vital concerns shared by public and private sector major representatives. But how could we meet their demands if the other place puts us in a totally disabling legislative straitjacket?

[*English*]

The time for discussion is past. It is time to act. We are trying to implement the principle which we have stated but, yet again, the other place is blocking us at every turn.

I deplore that we are being prevented from taking our responsibilities as the lawfully elected government. Time is running out and we are still not doing enough to give Canadians the tools they need to handle the challenges of the 21st century. It is unacceptable that for months at a time we should be forced to discuss the spirit and the letter of any proposed amendment to an act. I feel that we are currently being forced to take part in a pointless masquerade. I am very much afraid that this endless argument is making a mockery of the democratic exercise of power.

[*Translation*]

Ultimately, the government alone must be held responsible for actions it takes with full knowledge of the facts.

If time proves us wrong, we will bear the consequences according to the rules of the game. But our policies will have to be judged by the people, not by an unelected partisan group who tarnishes the reputation of an institution.

Mr. Speaker, I ask my colleages to make every effort to bring this debate to an end as soon as possible.

Thousands of people, employers, unemployed, unemployment insurance claimants, workers over 65, workers who desperately need training, in short the whole working community, are watching the House of Commons.

I am confident that if we take the proper decisions, in the interest of the majority, we will make up for the time that has been lost and help give Canada back the dynamism that has so often and so eloquently marked its history.

• (1810)

Mrs. Maheu: Madam Minister, we have met this morning in caucus representatives from all Canadian labour unions from coast to coast. You mentioned earlier that workers seem to support the government regarding this Bill and asked us not to allow the Senate to block the passage of the Bill. This morning however, the unions and their representatives begged us to make sure to ask the Senate to kill that legislation which they consider as somewhat prompted by the US because they see it as a subsidy. What do you think of all the unions in our country stating that you are yielding to US entreaties on account of the free trade deal? Does that not bother you that all the workers in this country have asked for the opposite of what you have asked this House?

Mrs. Vézina: First I must say that we are not reacting to what the United States are asking us to do. When we began the unemployment insurance reform we knew full well that skilled workers are in very short supply and that the reform would enable us to improve the skills of workers while they seek employment. I have here an article from my riding where the unemployment rate is unfortunately too high, 15 to 20 per cent, and where people say it is not easy to find skilled labour. They are trying to get a paper mill going and looking hard for workers, carpenters, welders and plumbers. Everybody wants them, but there are not enough qualified men and women. We are talking about plumbers and welders, and these are trades for which workers could be retrained. The government is aware that we need direct training.

We know very well that our system is too passive, that we must make it more active. And we also know full well that we need this reform to create longer-lasting jobs for the future to be able to compete on tomorrow's market. The reform has to be a concerted effort on the part of employers, employees and the private sector, and that is what we are working on. It is a reform, and in its latest report the Economic Council of Canada again stressed the need for more training, and they even suggetsed that our active unemployment insurance scheme be turned into a work insurance system. As a responsible government that is what we have been working on since 1984. At long last this reform will enhance the skills and abilities of Canadian workers. Wherever the unemployment rate is high our reform takes into account the particularities of each region. There is no reason why we should apologize for a bill which comes to grips with the reality and which was drafted after consultation with the various interests of the private sector, the employers and the employees.

[*English*]

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the minister referred to helping workers in her last response. I would like to ask the minister a couple of questions. One, how will the forcing of workers to pay for training benefits help those workers in the future?

The government pays a share of that training cost and it is now talking about privatizing. In fact, Bill C–21 does privatize training and puts the burden of training on the backs of the workers and their employers. That may be the kind of active, as opposed to passive, effort the minister is talking about, the workers carrying that burden on their shoulders as opposed to the government sharing that burden.

The minister referred to the Economic Council of Canada asking for these changes. I have heard suggested today that the Canadian Labour Congress and the labour coalition are interest groups that do not represent what the government wants represented. Second, I would like to ask whose interests the Economic Council of Canada represents and why the government is listening to them instead of the four million workers the coalition of unions represents who presented their views today and the government would not hear?

[*Translation*]

Mrs. Vézina: Mr. Speaker, we are listening to the workers. Before going into politics in 1984, I worked with employees in the professional sector. There is a growing need for training across Canada. With unemployment insurance reform, we are trying to put in place a labour force development strategy.

Unemployed workers do not pay for their own training. On the contrary, it is employers and workers who are paying for an insurance against future hardships.

As we know full well—and I'm sure you will agree with me—, all social workers admit that training must be provided and that co–operation is essential. That is what we are trying to do. We must ensure that the government has a role to play but that the strategy is defined by the private sector. That is why we have set up advisory committees to give us a training strategy. We are trying to meet current needs while preparing for the year 2000. We, Canadian men and women, must be competitive in the new markets and be ready to face these new challenges.

[*English*]

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I am really at a loss for words when I listen to the minister give an explanation of what should be taking place in the employment sector. She has been representing the government sector for five years and recognizes the problems of underemployment, lack of skills training, and lack of skilled workers. She can stand there for five minutes explaining that now, after the government has cut out $770 million over the last five years in training programs, it has seen the light and is going to talk about what it is going to do with our labour market.

I cannot believe that the minister actually has an ounce of sincerity when talking about what we have to do in the country with our labour pool. She admits that in her own riding she has an unemployment rate of approximately 15 per cent. The only thing I can say is shame on her and shame on the government for the kinds of conditions that she is decrying. She has been in a position to do something about them over the last five years. It is a lot of poppycock and claptrap that we are hearing from this government.

One thing that should be made very clear, and there is no one in the House who does not believe it, is that we have to become more competitive by having a better trained labour market and that the government has to be proactive. It does not become proactive by turning around, cutting training programs, getting out of the labour market, getting out of its contribution and commitment, its fiduciary trust that it has in this particular program, and then stand up before this House, saying say that it represents all kinds of Canadians. A coalition that represents 4 million labourers in the country asked us to do something to get the government to pay attention.

Members of the government stand up and read the same speeches we heard at second reading, report stage, and third reading. I can see the parliamentary secretary to the minister here doing the same thing. He listens to the same stuff that we have been listening to over the course of the very little bit of debate that we were allowed.

I cannot believe that a government which asks for support at the same time turns around and, at the very first instance that we can have an opportunity to discuss this on substance, says: "We are going to impose closure once again". Let's stop this nonsense. If we are going to have a debate on substance let us get onto it. Let us get busy and talk about what we have to do with the unemployed.

Maybe, just maybe, it would be instructive for members on the government side to understand who the unemployed are in this country. If we are going to be talking about doing something with our labour market, then let us see what we have to do. Let us take a look at the figures that it has to address if, in fact, it is going to have any basis for making some of the assumptions that it is going to make.

Quite frankly, over the course of the last five years we have seen an enormous decline in the creation of good jobs. I pointed this out earlier this morning in a statement in the House. The government refuses to recognize that the free trade agreement has anything to do with the realities of the moment but we have lost 9,700 full time, good, solid jobs. These are the kinds of jobs that the minister says are lacking in her own riding. She cannot get plumbers, she cannot get welders. Where in the heck has she been for the last five years as a representative of the government? If the government is going to do something, do something worth while. Do not give us this garbage saying: "We are going to put $800 million into training".

• (1820)

Do you know, Mr. Speaker, what that $800 million represents? It is coming out of premiums that are paid by both employees and employers. The government is washing its hands of the whole affair. What it is doing is increasing the proportion of moneys that it is going to take out of those premium payments in order to finance the obligations that it should have been meeting under Canadian Jobs Strategy programs.

For the edification of the members opposite, I add that the Estimates indicate that funding under CJS is approximately $1.5 billion. If the government goes through with Bill C–21, it will make itself a predator of up to an additional 15 per cent of funds from those premiums, funds that will equal $1.8 billion.

I dare say that if we are going to be talking about confidences and trust, then the parliamentary secretary opposite will attest to the veracity of what has been going on. Moneys have been removed from government contributions and taken from premiums to be allocated where? To those same programs that are still being cut. The government looked at a surplus in the unemployment insurance scheme last year, ruled that is was surplus and said: "We are going to remove our contribution".

The parliamentary secretary knows that quite well. His minister stood up before the House and said: "You know what? We have to reform the unemployment insurance system". Do you know why, Mr. Speaker? Because we are in a deficit situation, not because we need to develop our labour market nor because we are getting together with private enterprise and labour.

Madam Minister might pay careful attention that those groups who called for complete withdrawal of Bill C–21 this morning represent 4 million Canadians. She does not need them. Her party does not need them. Her government does not need them. It does not need anybody. It is standing at 19 per cent in the polls, but that is okay. They are non–believers anyway. Maybe, in the next election, many of those people of the 4 million and up will take a look at what is going on with this particular bill, and the debate on this bill, and will decide to teach the government a lesson in numbers.

Certainly the government has indicated that it cares not a whit about literacy programs. It cares not a whit about preparing those workers who are in a disadvantaged position throughout the entire country. I do not know how many times we have stood before the House and pointed out to the Minister of Employment and the Minister of State that the illiteracy rate in this country among adults is one of the highest in the western world. We cannot possibly be competitive unless we address it.

What does the minister do? What does the Minister of Finance do in his latest budget? Cut programs. Where? Where they hurt most and where they do the greatest damage. We had an opportunity to do something for native Canadians, for Canadians of all origins and for Canadians who are crying for some kind of government program, direction and vision that says: "Look, we are going to provide a job". What kind of job? This is the government that five years ago said: "We are going to create jobs, jobs, jobs". What kind of jobs have we got? We have a 45 per cent increase in the kinds of jobs that are part–time, dead–end, marginal, seasonal and rely on help agencies.

The Minister of State for Small Businesses and Tourism ought to be interested in this. He is one of the guys who is defending a 7 per cent increase in the goods and services tax that is going to do a heck of a lot to destroy

even those types of jobs that are maintained by an unemployment insurance system. They give an opportunity to provide people with the occasion to live in their area of origin and preference in this country, and maintain the population in the regions of Canada not close to Toronto, Montreal, Vancouver and some of the other major centres.

We have to do something reasonable and worth while to maintain the opportunity of Canadians to move around the country, Canadians with full rights, full opportunities and full access to the equalities of the occasions and opportunities provided by our government. If our government is to make a sincere effort to ensure that all Canadians have equality of access then it has to be serious about an educational training program that takes into consideration the obligation to do what is right, to do what it must do in order to develop an industrial labour policy for all Canadians. My colleague from Saskatoon—Dundurn, who served on the legislative committee with me, knows very well that even those skilled labourers in Saskatchewan have very little opportunity in terms of finding a job in their own areas, even if they are skilled.

In times of recession such as this, there are, on average, 2,000 labourers per month leaving that province looking for greener pastures elsewhere. They will not find those greener pastures in Toronto where the average house costs $272,000 and where one needs a $70,000 down payment to qualify for a mortgage.

I do not know if we can take seriously some of the arguments we have heard from the other side of the House. The House leader talks about the illegitimate nature of the resolution of the Senate which states that the bill is fraught with problems and it is going to make the bill a little more palatable.

The minister says that the Senate has the legal and constitutional right but should not exercise it. I have never heard such garbage in my life. This government must think that everybody is stupid. It is certainly operating as if Canadians do not care. Canadians have a stake in this country and they want to see the government take action to ensure that their future is secure, that their future looks auspicious down the road and provides an opportunity for their kids as well as for every other person's kids.

There is a lack of concern and arrogant disdain with which the government treats all arguments regarding the variable entrance requirements, absolute scorn which it heaps on members on this side of the House, and I dare say from the NDP as well, who indicate there are some positive ways in which this government can give some kind of direction and purpose. That kind of scorn cannot be allowed to continue, especially under the guise of fighting members of the other place who have a duty, an obligation and a constitutional right to throw this bill back into the lap where it belongs. The Senate says: "Look, get it done and get it done right".

The government refuses to acknowledge a constitutional obligation in law, as well as in practice. Since 1941, the Unemployment Insurance Commission, our whole social security system, that income maintenance system that is the unemployment insurance, requires three parties: labour, industry and the government. But our government cavalierly opts out of its obligation. I do not know of a Canadian who would turn around and say "Yes, I applaud that because it allows you to pilfer some money out of the fund and to reduce a deficit which you have been so lax and incompetent in handling over the last five years".

I cannot believe that there would be one Canadian who would say that this government recognizes constitutionality. It pompously indicates through the House leader that it is the oracle of truth and that it understands constitutionality.

I cannot believe that there would be one Canadian who would for one moment accept a government that takes more than 3 per cent from the contributions to the fund and raises that to 15 per cent and accepts that that would be a constitutional, legal or moral thing to do. I am sorry if I mention morality. It is something that obviously is not in the vocabulary of members on the government side. Members opposite are probably ignorant when it comes to looking up that definition in the dictionary. Lest I become too sarcastic and I do not want to stray from the item at hand, the purpose of this particular debate is to point out that the other House has done the House of Commons and the people of Canada an enormous favour by suggesting that this bill be reviewed in its entirety. We should not be concentrating merely on the variable entrance requirement. This thing is flawed in principle because it does away with the whole

concept of government responsibility in the area of income maintenance and social security.

• (1830)

Government members opposite have laughed and they have scorned. They have put down any interventions by members on this side of the House who have suggested that perhaps there has to be a reason, a rationale, some sort of philosophy behind the government's desire to kill a system that has been an integral part of the Canadian character.

What is that objective? What is that philosophy? My friends on this side of the House, I think know only too well. They read the papers, but we are not allowed to accept them as any source of veracity. They read all the documentation that comes forward from the government researchers, from government institutions, from government departments, but we are not allowed to accept those as any sources of truth. The Minister of State for Employment and Immigration just told us: "Well, listen, none of that stuff matters". We cannot go to those areas. We cannot talk to our own researchers who tell us what Americans tell us, that is, with this bill the government is intending to ensure that our social security system falls in line with the American system.

What is it designed to do? It is designed to take into consideration all the negotiations regarding subsidies and to pre-empt any discussions on subsidies that we should be conducting sincerely and properly for the interest of all Canadians.

If there is any other reason, then all we have to do is listen to the minister's own words when she said: "We are only doing this because we have to cut the deficit". It is either one or the other. They are going to cut the deficit on the backs of all those Canadians who have relied on this because they have contributed to it. They have paid taxes to maintain a system of social security because they felt that was an obligation on their part as taxpayers and Canadians. They have done that as employers and as employees because they felt that was their obligation under this tripartite agreement.

We have a government with such arrogance that it turns around and not only walks away from the deal but then spits in the plate from which it has eaten and says: "We are doing this for your own good". If it is doing this for our own good, the best thing that it could possibly do is to pack up and resign. Passing bills such as this in jack-boot fashion, closure after closure after closure, and then coming in here and giving us this poppycock about a hundred hours of debate across country is just absolutely mind boggling. There is not a Canadian out there who actually believes for a moment that these people are capable of telling the truth. There is not a one.

At no time like the present do we need pro-active legislation by a Government of Canada. I see none in this bill from this Government of Canada. I see none coming out of that ministry, that department which says that it shall create conditions, not only that will decrease unemployment but improve the level and quality of employment.

The minister sits here and tells this House that because there is 15 per cent unemployment in her riding and because there are one or two positions available for plumbers and welders that this is absolutely shameful. She says that we are going to make sure that over one million Canadians who find themselves in the unfortunate position of being either underemployed or unemployed bear the brunt of the government's desire to cut the deficit at the expense of all those who rely on a system in order to maintain whatever lifestyle that they have in whatever part of Canada.

I am not talking about people who live in St. Paul's or Forest Hill or Rosedale. I am talking about average Canadians, average Canadians who are quite happy to work daily, to take on part-time jobs. I pointed out that there has been a 45 per cent increase in the types of jobs being taken by people who feel a need to take on a second job to maintain their lifestyle.

Those people are crying for an industrial and economic strategy that is sorely and evidently lacking in this legislation. Yet the department, the government, the Prime Minister and his cabinet have decided they are going to take this club called Bill C-21 and with that club they are going to beat into submission all of us who are so unfortunate as to find ourselves at the mercy of those who would give us, at their whim and their will, the kind of jobs that are going to decrease in number progressively, as we have seen with the increase in the unemployment rate steadily over the course of this year, and in quality.

I thank you for your patience, Mr. Speaker. I am sorry that my time is running out. I would have loved to have given more to the parliamentary secretary.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I don't know where to begin. I want to ask the hon. member three short questions and then he can fly for 17 minutes.

First, I want to ask him about the Global Economics he is wont to quote when he speaks about unemployment. Global Economics appeared before the Senate committee and recommended, contrary to what the member has said, that Bill C–21 be passed. It weighed the goods and the bads and said: "There is more good in this bill than there is bad". Therefore it urged the Senate to pass it. I would like him to comment on that in view of his previous comments about Global Economics.

Second, I want to ask him about the comments he made concerning the reduction in moneys for the Canadian Jobs Strategy. If he looks at the Main Estimates, Part III, 1990–1991, he will find there is $1.7 billion, the same as there was last year. There is no reduction in the Canadian Jobs Strategy at all.

Third, he mentioned something about Liberal researchers doing a comparison between the Bill C–21 legislation and the American system, and somehow it is all going to work out. I would like to see an analysis. We have an analysis of that. There are 52 different systems in the United States. I would like to see that Liberal analysis. I do not think he can put his money where his mouth is.

Mr. Volpe: Mr. Speaker, I do not think if we are going to wax in oratory we need to take the bait from every tick that falls upon us.

However, since we were talking about moneys in the Estimates, Bill C–21 refers and is directly relevant to the Estimates of 1989. Perhaps the parliamentary secretary would take care to take a look at the context under which we are actually debating this bill.

The parliamentary secretary may wave papers around, but it is not going to change what departmental officials and his own minister said before the committee. What they said before the committee in substance is what I repeated to you just a few moments ago.

As for Global Economics recommending that Bill C–21 fraught with evils as it is be accepted, it is one of those cases where you are either given a gun or a knife and you are asked to do yourself in; you are told to do the quicker of the two.

There is an organization, a coalition of labour representing four million Canadians that said this morning absolutely we should not accept the bill. Should I as a member of Parliament who is supposed to be attuned, like the hon. parliamentary secretary, to the whims of people be listening to Global Economics and not to four million Canadians? Is that what he wants me to do?

• (1840)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I listened to the member with a great deal of interest. He certainly laid into the Conservatives, and rightly so.

The question I want to put to him is this: Is it not a fact that there is not a single principle in Bill C–21 that the Liberals themselves did not violate between 1974 and 1980?

Is it not a fact that in 1976 the Liberals reduced the maximum age for coverage from 70 to 65? Is it not a fact that the Liberals in 1976 reduced the benefit rate for claimants with families from 75 per cent of insurable earnings to 66 and two–thirds per cent, and they followed that up in 1979 by reducing it to 60 per cent?

Is it not a fact that they reduced the maximum weeks of benefits from 51 to 50 weeks in 1977? Is it not a fact that they removed the eight–week minimum attachment, the variable entrance requirement, from 10 weeks to 14 weeks in 1977? Is it not a fact that the Tories learned from the Liberals how to chop unemployment insurance and how to create hardship for the unemployed in this country?

The Tories did not learn that all by themselves. They had the models right across from them for 10 years, and now they are just carrying out the Liberal agenda. Is that not a fact?

Mr. Volpe: Mr. Speaker, the only thing I can say is out of deference to the age of the hon. member: I can only assume that he has done his research and that he is talking about historical events. If he is talking about historical events, we might perhaps take a look at what happened in 1789 and 1848 and then take a look at the reasons people from his party had to play second fiddle to the organizations which he purports to represent but which came to our party to look for assistance. Four

million Canadians coming to the Liberal Party for assistance on unemployment insurance must be a good sign that we are doing the right thing.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, my esteemed colleague has just spoken rather eloquently. When he was questioned by my colleague from the NDP, who should be known as the pope of the north, I guess we should be reminded that over the weekend the New Democratic Party sold its environmental principles so it can put on whatever hat it needs as it goes along.

As far as our colleagues on the other side are concerned, they can wave all the papers they want. They know what they can do with those papers. They can take them and put them on that part of their anatomy where paper belongs.

As far as my esteemed colleague over here is concerned, I know that he wanted to say more in his speech but because he ran out of time he did not have a chance to address the very pressing issue of education and training. He did not speak on that as much as he wanted to.

I would like to ask him how will Bill C–21 affect the training of our young people so that they can come into the job market and take their rightful places Canada. Would my esteemed friend please address that?

Mr. Volpe: Mr. Speaker, I thank my colleague for the deference which he shows me.

In a word, not a whit. Not only does Bill C–21 not address the problems of education and training. What it does is wash its hands of the whole affair and says that the department will have an opportunity to determine what it will at some time in the future subject to some consultation, consultation which we have yet to see. No proposals have come forward. The minister herself has thrown up her hands and has said that the government refuses to do anything until this bill is passed and that until this bill is passed the government will be unable to come up with any kind of solution.

What my hon. colleagues knows, because of his former career, is that education is important and absolutely fundamental to creating a competitive labour force. The minister addressed this and admitted it in her introduction of her labour force development strategy way back last April when said that 60 per cent of all jobs in the coming five years will require five years of post–secondary education and training. She does not address that in Bill C–21. All we have is some airy–fairy statements of some proposals that may emerge somewhere down the road, but it does not address the fact that the problems exist here today and have existed for five years.

What the government has to decide, and I can tell my hon. friend through you, Mr. Speaker, that it is no longer a question of simply saying, as my esteemed colleague opposite says: "This is a provincial matter. We wash our hands. Let us be Pontius Pilate about this". It is not a factor any more. It is not going to solve the problem by simply going off and buying some training programs over which it has no control and with which it has abdicated all interests in the development of the economy and labour.

The government has to have the courage to get involved in the training, get the programs together and do the proper consultation, but do not tell me it comes out of Bill C–21. Get your act together and do not give us a line.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I must say that it is nice to speak in the House where there is a little chat–back and a little bit of action.

I rise in support of the motion put forward by the government House leader. While there are some ideas which we can agree with in the message from the other place, there is a basic conflict between most of these amendments and the intent of Bill C–21.

Bill C–21 has been held up long enough. The needs it addresses are too important to justify prolonged argument over detail. For this reason we believe that the responsible course is to recognize valid concerns of the Senate. However there are recommendations proposed by the Senate which we cannot accommodate. I want to discuss these briefly now, starting with amendment 2(a) (b) and (c).

The government is determined to do more than passively accept unemployment. We must help unemployed people get back to work and make it possible for them to contribute to the growth of this country. For this reason we have proposed to expand the present uses of unemployment insurance to provide training for more people, to allow for more people to retrain their skills

while unemployed and to help people get back to work faster.

Basically the Senate amendment says that it is okay for the government to use unemployment insurance funds to write income support cheques but not for anything else. In other words, they close the door on the so-called developmental uses. To put it less bureaucratically, they close the door on helping people to do more than just survive on unemployment.

A main goal of Bill C-21 is to assist the return to the workforce of people for whom unemployment is not an unchangeable fact of life but a condition which could be changed if certain obstacles were removed.

For instance, people who live in depressed areas where there are no jobs could move to areas where there are jobs, if they could only come up with the money to do so.

For instance, there are people who could find work in their own communities, if only they had the necessary skills.

For instance, unemployed experienced, energetic UI eligible people could realistically be self-employed if they could only get the helping hand to get started, people who in the long run might create more jobs for others.

Under Bill C-21 the government should have the option of using money from the UI funds to help people over these hurdles—to pay for training, to help with moving expenses, and to help launch small businesses.

Let us all be clear on two points. First, the funds spent this way would be well invested. A few thousand dollars spent in one year conceivably could save tens of thousands of dollars in future claims over the years. Second, given the deficit, this funding cannot be financed out of general revenues. The Liberal Senate amendments before this House obstruct these—

• (1850)

Mr. Samson: And you are putting them out of work.

Mr. Kempling: Do you want to rise and speak? Why don't you not get up on your feet and speak?

The Liberal Senate amendments before this House obstruct these principles in general and in detail by insisting that we fund them from the central revenues where no money is available, and they would kill them at birth. In the case of relocation assistance, they require that no one be helped to move to an area with better opportunities until there is a firm job offer on the table, but this creates a catch-22 situation. How likely is it that an unemployed worker at one end of the country will be able to line up a definite job at the other end of the country? We would like to be more flexible and more realistic in this regard.

Amendment 3 from the other place deals with the right of appeal. We have such a right at the present time. If you believe you are a victim of an unsound decision about UI benefits you can appeal to the board of referees. This amendment goes further. It would extend the right of appeal beyond the benefits to the new developmental uses.

This is mixing apples and oranges. The question as to whether I entitled to x number of dollars for x number of weeks under the act when it arises lends itself to a judicial resolution.

Questions about whether a move to a given area at a given time will improve job prospects or whether training will be productive involve the informed judgment of counsellors in consultation with applicants. They must relate to the circumstances which vary. This amendment would complicate decision making. It would obstruct counselling. It would slow down the process to no useful end. The people who would be hurt the most would be unemployed Canadians trying to get back to work.

Amendments 4(B), (C) and (D) from the other place are also for the most part unhelpful but with modification provide basis for agreement. The Senate wants us to specify year by year, province by province, economic region by economic region, what we will spend on developmental use, and where we will spend it. They want an accounting after the fact that we can provide. They want a detailed account before the fact not only for each of the 10 provinces but for each economic region. We believe in planning too, and Bill C-21 allows for it within the limits of practicality and reality. It is pretty difficult to look into an area before the fact and in some of the remote areas in particular to try to estimate what is going to happen there.

The reality is that between the time you make your plan and the time the new fiscal year comes around situations can change, and they can change quite dramatically. Markets can change. Product lines and skill requirements can change. Superimpose that on the fact that for UI planning purposes there are no less than 62 economic regions in Canada, each with different needs and situations. Locking yourself into too detailed a blueprint, one drawn up a year in advance, is not the way to meet those needs effectively. To be truly and effectively responsible we need the flexibility that Bill C–21 provides.

It comes to this: we cannot agree to a proposal that would set plans in stone a year ahead and which in any case would be speculative. We are prepared to meet the concerns expressed in the Senate amendment by elaborating the yearly plan to incorporate more detail but not beyond the limits of what is practical. That means an estimate, not a plan covering the 10 provinces and the 2 territories.

Amendment 4 (D) would make the planning process a political football. Each plan each year would be the subject of a debate in both Houses subject to rejection by either or both.

Furthermore, we note that if either House does not act within 10 sitting days the regulations would expire. In short, we are asked to approve not only the hobbling of the planning machinery, but to sanction a veto by the other place on regulations that can affect the livelihood of thousands of Canadians who need our help.

Amendment 5(A) from the other place concerns the qualification period for people who, without just cause, leave one job to go to another.

Here again distinctions are essential. Many people who quit their jobs in this way do so because of intolerable conditions or other compelling circumstances. There are many reasons a person should be allowed to leave a job without a penalty. That is not the issue. The issue is not even the right of anyone at any time to quit a job without just cause. The issue is whether the people who do so should be supported by all the people who pay unemployment insurance premiums, whether these people should pay a bill which has been running at more than $1 billion a year.

The related issue is whether the deterrents now in place to discourage this practice are effective. Bill C–21 will increase the deterrents. One way it will do it is by setting the disqualification period at seven to twelve weeks. The amendments proposed by the Liberal senators on the other hand favour the *status quo*. They would keep the deterrents at their present inadequate level. In effect they support those who want to use UI as a free ride at everyone else's expense.

Amendment 6 from the other place is about third party contracting. Bill C–21 envisages the use of third party contractors to services such as training administration. Logically, we say, their operations should be funded from the same source as Canada Employment centre administration, from the general UI fund. The Senate amendment would require these administrative expenses to be paid out of the 15 per cent portion of the UI fund earmarked for training relocation and other development uses. Obviously every dollar spent on administration would be $1 less for developmental measures. We do not think that is a good amendment.

Amendment 7 from the other place runs counter to one of the main goals of Bill C–21, namely, to train more workers and counter the wider consideration of reducing the federal deficit. In the April 1989 budget the government announced its decision to put UI on a self–supporting basis. Continuing to support it from general revenues is not an option that is consistent with cutting the deficit. The money just is not there.

In effect Bill C–21 says that those who benefit from the UI program should pay for it. That means not just Canadian workers but Canadian employers. The Senate amendments reject that approach. It says that drafters are "mindful of the government's stated goal of deficit control". Mindful or not, it requires that the government, a convenient euphemism for the Canadian taxpayer, should shoulder 50 per cent of the cost of what are commonly referred to as regional benefits.

This amendment is inconsistent with deficit reduction. It contradicts the principle that programs should be paid for by those who benefit from them; in this case employers and employees. We have an even more basic problem with this proposal. The House of Commons cannot accept an argument which essentially says that although the government has the constitutional right to reduce the deficit in abstract terms, the right evaporates

when we get to specifics, that the Senate can stop the government from cutting the deficit by reducing spending on any given program. We cannot tolerate that.

I pass now to Amendment 9 from the other place. The situation of commercial fishermen in Atlantic Canada particularly is virtually unique. Their work is seasonal. Their resource base and their markets are fickle. The industry is plagued with overcapacity. The uniqueness of the fishing industry is recognized in the unemployment insurance system. Special regulations cover the people who work in it. The continued existence of these regulations is not in question. The issue is whether we should accept the proposition that these regulations be subject to review, debate and approval or rejection in the House of Commons and the Senate. The issue is whether we give the Senate a new power under the Unemployment Insurance Act, the power to veto these regulations. That change is neither necessary nor desirable.

• (1900)

Senate amendment No. 9 concerns the funding of fishermen's UI programs. At present, fishermen put in $1 of UI premiums for every $20 they draw out in benefits. That is a function of instability, which it goes with the territory. The issue is which particular funding source the money should come from.

To sum up, some of the ideas coming to us from the other place merit consideration. We can accept them without difficulty. Others run 180 degrees counter to the intent of this government and, more important, to the will of this elected House. We want to move to a solvent soundly-based system and do so in ways consistent with reducing the deficit. These amendments obstruct that effort.

We want to modernize the system to meet current needs. These amendments cling to the status quo. We want a more flexible system and these amendments would entrench rigidity. We want to remove disincentives from the system and these amendments would perpetuate them. We want the UI to function both as a bridge back to employment, and as an important income support. These amendments run counter to that goal. We want to address the urgent national need to develop our human resources to meet the needs and the challenges of the decade ahead. These amendments ignore that issue.

Finally, we want the will of the elected members of this House to prevail. These amendments would frustrate that will. For all these reasons, I support this motion by the government House leader and I urge my fellow members to do the same thing.

Mrs. Langan: Mr. Speaker, I would like to ask the hon. member—

The Acting Speaker (Mr. Paproski): Order. I just cannot see the hon. member if people rise around her. The hon. member for Mission—Coquitlam.

Ms. Joy Langan (Mission—Coquitlam): I am standing, Mr. Speaker, thank you very much. The hon. member travelled across this country with the committee and, on many occasions, turned his back on the workers who were making presentations. It is in the transcripts of the committee hearings that he felt that these workers were vested interest people and were not really representative of Canadians.

We just heard the Minister of State telling us that in fact this government listens to the workers. If the government does indeed listen to the workers, could he indicate to us which workers in this country it listens to, when and how?

Mr. Kempling: I hardly know where to begin, Mr. Speaker. There is a fallacy out there—

Ms. Langan: If you listened at the committee you would know.

Mr. Kempling: Do you want me to answer the question? There is a fallacy out there with people in the NDP. They think every worker in Canada belongs to a labour union. They don't. The vast majority of workers in Canada do not belong to a labour union.

We did listen to the brief put forward by the CLC. We listened to it about 75 times across this country.

Ms. Langan: You didn't hear them.

Mr. Kempling: We heard what they said because the same brief was repeated 70 times, I am sure, from coast to coast, by every local labour council in the country. We heard what they said. We did not agree with it. The bulk of what they had to say was based on an interpretation of some figures by Statistics Canada that were interpreted by Global Economics. They all quoted that.

The hon. member who asked the question spent endless time in committee pirouetting on the head of a pin trying to get people from Statistics Canada to agree with her interpretation of the numbers put forth by

Statistics Canada. She tried to get a member of the staff of Statistics Canada to agree with her and he said he would not put that interpretation on it at all.

The reason why I did not take too much account of some of the things that were said was because they were based on a wrong interpretation of the numbers that we saw. We had a different interpretation. We believed what we read into it. We did not believe the interpretation put on it by the member, by the CLC or by many others who came before us.

What amazes me is that when Global Economics appeared before the Senate committee, they went through all their brief and as it states in the record, said: "After having said all this, in the final analysis we think the Senate should pass this bill. There is more good in it than there is bad and it is better for the country to get it passed and into place."

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to point out to the hon. member that the Canadian Labour Congress and the other unions that asked to speak to the government today represent four million workers. If you take the average number of families in this country, we are talking about 14.5 million Canadians for whom those people were speaking.

I would like to talk about the numbers that the hon. member has dismissed out of hand, saying that his interpretation was not the same as other people's interpretation. Not one time, in the House, in the committee hearings or in the hearings in the other place, has the government been able to prove that the Canadian Labour Congress, StatsCan figures are wrong. Not once has the government proven that any one of the figures given to us were incorrect.

I would like to ask the hon. member if the Canadian Labour Congress and that group of union leadership represents 14.5 million Canadians, and his government cannot specifically disprove the CLC's figures, how he can stand in this House and say that he is representing the needs of the people of Canada.

Mr. Kempling: That is the most disjointed question I have ever heard. The member should go back to the hearings we had here in Ottawa. She was there. She spent endless time questioning the deputy minister and the representative from Statistics Canada and they gave her the interpretation they put on those numbers. They certainly did not accept hers. Hers are the same as those of the CLC and we just do not accept them.

Ms. Langan: Disprove them.

Mr. Kempling: Can you give proof? You have not given any proof at all. All you have done is take some numbers which have been interpreted by the CLC and say that is truth. I say it is not truth.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to ask the parliamentary secretary to clarify what he has said about the whole question of benefits for self-employed fishermen. This is one of the very key elements of the Senate report, as I understand it, and basically the intent is to preserve, as the parliamentary secretary knows, the government's contribution for this component of UI benefits.

What is the parliamentary secretary's view and what is the government's commitment to unemployment insurance benefits for self-employed fishermen. Are these fishermen going to remain part of the unemployment insurance program or is this the first step toward getting them off the program and off benefits? I would like to ask him that, in light of the crisis which is facing the fishery in Atlantic Canada.

• (1910)

Mr. Kempling: Everyone knows there is a crisis in Atlantic Canada with the fisheries. We are all aware of it. We all regret it. Fish do not vote. We cannot tell them where to come. We have accepted that amendment in the Senate proposal to put the regulatory portion of fishermens' benefits into the statute. That is one of the amendments we have accepted, and I think that is a good amendment.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Gander—Grand Falls.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, just a few words concerning the resolution before the House today. I must say the reaction of the Government of Canada to the Senate proposals is really one that says it does not care about the unemployed in Canada. The Government of Canada, by reacting the way it has to the Senate proposal, is saying that it wants to cut people out of the unemployment insurance system.

The Government of Canada wants to discriminate against people from one part of this country. It does not care about the high unemployment areas of Canada. Bill C–21, should really be entitled "What side of the line do you live on"?

The government has refused to address the issue in its response to the Senate. Under the previous legislation, a repeater, which is what the majority of people are, and if they lived in an area where the unemployment rate was higher than 11.5 per cent, in order to qualify for unemployment insurance they needed only 2.5 months in a qualifying period.

Under this bill, if you live in a region of Canada in which the unemployment rate is below 15 per cent, you need more than 10 weeks to qualify. That is quite a basic change, is it not? That is quite a saving of money by the Government of Canada.

Under the existing law, if you live in an area in which the unemployment rate was below 11.5 per cent, you need more than 10 weeks to qualify. Under this bill, if you live in a region in which the unemployment rate is less than 15 per cent, you need more than 10 weeks to qualify.

The Senate objected to the fact that the government has rewritten the unemployment insurance boundary lines in Canada. In other words, when a person now walks into the unemployment insurance office, under this legislation the unemployment insurance officer will ask where that person lives. Never before was that question asked in a high unemployment area. The unemployment rate in high unemployment areas undoubtedly was always over 11.5 per cent. But now, with this change, in an area that has less than 15 per cent unemployment you need more than 10 weeks; over 15 per cent, you need 10 weeks.

The government decided to rearrange the lines. It put a metropolitan area in the middle of a zone so that if you live two miles away from a city, then you are going to need what they need in the city to qualify. Then it drew other lines in each province in such a way that it separated economic zones.

Let us look at high unemployment areas, for example. People there work on a boat on the high seas; a lake boat in central Canada; an airplane that flies over the ocean. They work in the woods in the middle of nowhere; or in a mine somewhere. That is regional employment. Mr. Speaker, I have just told you what the vast majority of people do in the high unemployment areas. They do not work in their community. They work in areas away from their community. Invariably that is the case.

Now, under this new legislation, you qualify depending on where you live. Let us take, for example, a group of people who are working in the forests and have to apply for UI under this new legislation. If they live along a short stretch of road at Northern Arm, one small community and Phillips Head, another community a mile away, the qualifying UI rate varies. You qualify in one community but you do not qualify in the next community.

It is discrimination based upon where you live. It neglects the fact that the majority of people in rural areas of high unemployment do not work where they live. That, Mr. Speaker, is what the Government of Canada failed to address in the proposal from the Senate.

The Senate, in its response, went half way and said there is too much of a problem in making qualifications depend on each province and on which side of the line one lives on.

The Government of Canada drew the lines in a very unusual fashion. In Newfoundland it drew it along the old roadbed of the railway. We have heard the expression, "Which side of the tracks do you live on?". That expression, under this new legislation, really hits home because now it is "which side of the roadbed do you live on?"

Depending on what side of the line one lives, if you do not have enough weeks to qualify, the government has a training program in which you can qualify. That is, if you have not worked for the previous 30 weeks you can qualify to be trained for something. Someone who works in the woods cannot go into the training program to learn anything about the woods. That person has to learn about something else like carpentry, or electricity for the next 16 weeks, at a low wage.

For those who do qualify under this legislation, the government will apply clause 21 of this legislation, which is not insurable employment at all. You end up at the end of the system, on welfare.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MONEY LAUNDERING

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to pursue a question I raised in this House concerning criminal organizations that use modern financial services to hide the illegal source of their funds, and the means at the disposal of governments and financial institutions to control to some extent those transactions by making money laundering activities more difficult for criminals and to help enforcement bodies.

• (1920)

Mr. Speaker, billions of dollars of drugs profits cross the Canada-US border each year in order to be laundered in this country's financial institutions.

The process will accelerate as the United States strengthen their money-laundering control legislation in their jurisdiction.

As you know, the existing legislation in Canada does not address that problem. The Banks Act includes some provisions on setting up and maintaining information files, as do the acts regulating other financial institutions.

However, the kinds of information kept in those files are those required by banking practices, rather than those that would indeed point to typical money-laundering transactions.

The Act includes no disclosure provisions, and under the current legislation, financial institutions that would disclose information would be in violation of banking confidentiality or other such rules concerning the disclosure of personal financial information.

This means that existing provisions serve to protect the banks rather than help law enforcement.

Mr. Speaker, over these last 15 years, studies on organized crime done mainly in United States but also in Canada, the United Kingdom and the Australia by those who are seeking ways to control the power and wealth of criminal organizations have emphasized the important role of financial institutions in this regard.

In order to make use of the enormous sums of money they earn illegally, criminals must go through financial services, and in fact they have turned to financial institutions that also serve legitimate businesses.

It is extremely difficult to differentiate legal funds from illegal funds when a series of financial transactions are quickly processed through international financial networks.

As you know, Mr. Speaker, the tradition of bank secrecy which surrounds financial transactions contributes to the problem, especially when funds arrive in countries where their identity is protected by strict laws on bank secrecy.

In 1970, the U.S. Congress passed a law obliging financial institutions to keep certain files and to declare certain financial transactions, namely monetary transactions of over $10,000 and the entry into or exit from the United States of amounts of $5,000 or more.

As you know, there are civil and criminal penalties for violations.

Bill C-61 contains measures to fight the laundering of the proceeds of organized crime as well as serious drug offences and the possession of goods obtained as a result of such offences.

The decision to criminalize the laundering of drug money and seize the bank assets of persons suspected of drug trafficking has made it possible to reduce the flood of hundreds of millions of dollars that were going through banks in Toronto and Montreal but, as you know, implementation of these control measures remains inadequate.

According to a recent report tabled in the U.S. Senate, last October American banks pointed to a surprising difference between the outflow of funds to Canada, estimated at $1.5 billion and the inflow of Canadian funds into the United States, which totalled over $4.5 billion.

This Bill does not oblige banks or other financial institutions to register and report to the authorities all major cash or foreign currency transactions.

Without ways to detect transactions involving major sums of illicit money, it is difficult to implement legislation against money laundering.

According to a report from the Royal Canadian Mounted Police, corruption in the banking system is not unusual.

An unscrupulous bank manager even helped a major group of heroin traffickers buy bank drafts for a value exceeding $40 million. These drafts where then deposited in various financial institutions abroad.

In other cases, lower-ranked employees open and manage bank accounts at their place of work in order to launder drug money. The city of Drummondville even seconded a member of its police force to the RCMP to protect a mafia informant who testified on Canadian and Quebec television that it was very easy to transfer money between American and Canadian banks.

Consequently, whatever the means used, once drug money gets in the banking system, it can be tranferred almost immediately, anywhere in the world by the sophisticated electronic equipment used by financial institutions. The police is aware of such transactions, but has no power to act. As for the financial institutions, they prefer to turn a blind eye than to risk loosing a client to a competitor. So, the minister announced on January 18 the establishment of a joint government and private sector advisory committee on money laundering. Such initiative certainly is a step forward in the battle against traffickers. In Switzerland, as you know, they have what they call the "Convention de diligence", a kind of gentleman's agreement between bankers. By virtue of that agreement, they are required to ascertain that their client is truly the holder of his capital and to know its origin.

However, to work around the agreement it only takes a lawyer or a trust company to open an account on behalf of their client using the protection provided by professional secrecy.

So, flaws still exist in spite of measures put in place. Mr. Speaker, my question to the Hon. Minister of State for Finance is this: to engage a real fight against the power and the wealth of criminal organizations, what action will Canada consider with regards to regulated and non regulated financial institutions, the small cashing services and currency exchange facilities insceasingly used by those organizations, along with international electronic fund tranfers?

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the government believes that money laundering constitutes a very serious problem. I can assure the hon. member that we will continue to use the most recent technology and the most efficient methods to fight this curse.

The government already took some initiatives. For example, Bill C-61, concerning proceeds of crime, recently came into force. This new law makes it illegal to launder the proceeds of crime, it allows duly authorized police officers to search and seize any property suspected of being illegally obtained, and it relieves the banks of all responsibility when disclosing information on activities they believe to be related to money laundering. Also in accordance with this Act, criminal assets can be confiscated.

Our government has also passed a law concerning the implementation of cooperation treaties in criminal matters in order to further cooperation between Canadian judicial authorities and their foreign counterparts. The Treaty on Mutual Assistance in Criminal Matters between Canada and the United States was concluded, ratified and came into effect on January 24, 1990. We have signed similar agreements with Australia and the United Kingdom, and negociations with other countries, including the Group of Seven, except Japan, are going very well.

In December 1988, Canada signed the UN Convention of Illicit Drug and Psychotropic Substance Trafficking, which puts great emphasis on international cooperation for tracking down and confiscating revenues from such trafficking.

The Bank for International Settlements has also examined the question of money laundering. In January 1989, Canada and other countries represented on the Cooke Committee of the Bank for International Settlements signed a document entitled "Prevention of the use of the banking system for the laundering of proceeds of crime". This agreement provides for a better identification of clients, a greater compliance with foreign laws, cooperation with judicial authorities and adequate training of people involved in the financial system.

At the Economic Summit held in Paris in July 1989, heads of states vowed to fight against drug trafficking, insisting that financial measures would be a concrete and encouraging approach towards this goal. They decided to

create a financial task force composed of representatives of countries participating in the summit and of other industrialized countries. Canada has taken an active part in the work of this task force, whose mandate is to evaluate the results of the cooperation measures already taken in the fight against the use of the banking system for the laundering of money and to examine other preventive measures in this area. Members of the task force have met several times and their recommendations will be made public soon.

• (1930)

On February 9, 1990, the Advisory Committee on money laundering created under the National Anti-Drug Strategy held its first meeting. This committee's mandate is to review our mechanism to prevent money laundering, to identify areas where improvements could be made and to inform the government on the benefits of the different alternatives to deal with money laundering. Another mandate of the Committee is to act as an advisory link between industry and governement in technical matters and to publicize the steps taken by Canadian financial institutions.

At its first meeting, committee members took the opportunity to unanimously endorse a statement affirming their complete support for the fight against money laundering and undertook to keep all the accounting records on financial transactions needed by the RCMP and other police forces to investigate and take money-laundering cases to court. In its coming meetings, the Committee will be asked to deal with various ways to fight money laundering. The decisions on solutions to the problem of money laundering and their implementation will be made in the light of the Committee's recommendations.

[*English*]

VETERANS AFFAIRS

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise this evening to speak on behalf of veterans with respect to the recent budget. I am speaking on behalf of veterans not just because I am the veterans' affairs critic or because I am associate defence critic or because I have spent most of a lifetime in uniform myself but because I want to put on the record the concerns that have been expressed to me.

I do not want to mince words and I do not want to play politics with this particular issue, but the fact is that some veterans will have to pay more and some veterans will lose specific benefits as a result of the over-all budget. I appreciate what the hon. minister has said in that regard. He should also know that tremendous representation is being made to me as the critic. It is very important to represent the views of those veterans who are concerned about what is happening.

I said I served in uniform, Mr. Speaker, but I did not serve in war and I was pleased that I did not have to. Shortly after I was born, in September, 1939, World War II was upon us and our country was passing through what was described by many to be the shadow and the storm of war. This dark hour was illuminated by the white light of human courage. The bitterness of suffering was alleviated by the inspiration of patriotism, and the dark cloud overhead carried a silver lining that foretold the brightness of a coming dawn. That brightness was the 1.75 million Canadian men and women who saw service in wars in this country.

I use the beginning of World War II as an example. I can also use World War I as an example and I think I can do no better than to refer to a veteran who happens to be in my riding. I know him very well. He is 93 years of age and he served in Gallipoli and at Beaumont-Hamel. This gentleman's name is Mr. Ronald Dunn. He has just written a letter in which he points out that he is 93 and that he is paying $240 a month but expects that is going to change before too long. He goes on to say that: "you are now trying to save money by raising our rent to $420 a month."

There is a rationale, if you look at it as a chartered accountant or as a financial expert, which I suppose could make sense. I am not too sure it makes a lot of sense to Mr. Dunn who has a limited income and who now sees his rent being doubled with, to my understanding at this point, not much of a chance of phasing in.

To add to the feeling that is behind this, I want to quote some of the things that Mr. Dunn described from when he was serving as a young boy in Beaumont-Hamel, where as many people remember most of the Royal Newfoundland Regiment was wiped out, and in Gallipo-

li. I have only seen movies of Gallipoli and Mr. Dunn's description is very vivid.

He said: "We had a hard time of it, no question about it. You had to be iron to stand it. In the trenches were millions of black flies and crawlers swarming over the men's bodies. There was very little to eat. Toward the latter part of November, the rain came and filled the trenches. Following this, the snow fell and the freezing temperatures came. The men suffered from dysentery, diarrhea and lice. Some men died while others had to be taken from service to recuperate. These are the things the men had to face, besides fighting the Turks".

I could go on. I hope I have left a vivid thought of what our veterans went through. I am sure the minister will be happy to know I am not going to go into a long dissertation about how heartless and callous this particular cut was. I appreciate the position the minister must have been in when he had to give up his share of the budget because I understand that everybody was told they had to give something.

That is fair enough. But I think you draw a line at a certain point in time where you cannot give up something. In the case of veterans who are not represented except by politicians in the House of Commons, they cannot defend themselves. Thus it is up to the opposition to make the point that this was not a smart move. Morally, it was not a smart move in the sense of care. Quite frankly, I do not think it was even a politically smart move.

I want to quote now from a song or a verse. The members in the House may recall there was a song with the chorus: "And the band played *Marching Matilda*. I remember it. It is a very striking song and a very striking poem about a young boy who served at Gallipoli and who came back home to live. He had no legs when he got home. When he sat in his house and remembered all these things, he wished he had not lived. But he did write the song in which he talked about his joining as a boy and the hardships such as those which Mr. Dunn went through.

The last verse is very vivid. He talks about his memories now, as an old man. The last verse goes something like this: "And now every year I sit on my porch and I watch the parade pass before me. I watch my old comrades, how proudly they march, reliving their deeds of past glories. I watch my old comrades, tired, stiff and sore. They are forgotten heroes of a forgotten war. And the young people ask, 'What are they marching for'? And I ask myself the same question".

Mr. Speaker, they are marching to remind us that we have had peace, liberty and freedom for so long that we may forget that the price of that was blood. It is not any accident that the colour of the poppy is red. They are marching to remind us of their comrades who did not come home. They are marching to remind us, I suppose more than anything, to pay attention to letters like the one that we got from Mr. Ronald Dunn from Bonavista, who served at Gallipoli and Beaumont–Hamel. He ends up his letter by saying: "You are going to charge now $420 a month. Is this not a strange way of showing your appreciation for what we did? The money you save, will it be worth hurting us again? Haven't we suffered enough during and since the war? It seems to me as if we have to pay our debt all over again".

That is what we are marching for. I am quoting what the man himself said.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, first, I want to thank the opposition critic for, once again, allowing me the opportunity to put some facts on the table for the public and to get the facts on the record as I did in the House on Friday.

I am finding that the more the veterans hear of the reasons for the changes, the more they understand why the changes were made. The Dominion President of the Royal Canadian Legion and the Chairman of the National Council of Veterans Association consider the charges we will be making for board and lodging to be fair and reasonable. They know the facts. I think it is important that we try to explain that tonight.

The changes in the charges for room and board are in the interest of ensuring equality of treatment among our veterans. More than 70 per cent of all non-pensioned veterans are presently paying $8 a day for room and board. The other 30 per cent are paying nothing because of inconsistent regulations. A lot of veterans have objected to this unequal treatment, and rightly so.

• (1940)

On April 1, 1990, everyone will pay the $240 a month. Every veteran will be treated the same in every province of Canada. I think the veterans would appreciate that. Once more, I must emphasize that all those in an institution because of war-related disabilities pay nothing now and are going to pay nothing after April 1, 1990, or in the future.

When the rates rise in April, 1991, they will be the lowest rates in any jurisdiction in Canada; $14 a day for room, meals, laundry, recreation and nursing care, and all the rest that they receive. That is nothing close to the $130 a day it really costs on average to maintain a veteran in a chronic care bed in Canada. That is $4,000 a month, or almost $50,000 a year.

I repeat the promise that veterans will not be worse off financially should they have to move out of their own homes and into an institution. Our income protection features will take care of that.

With regard to the Veterans Independence Program, I again appreciate the opportunity to tell the House with pride that our VIP payments have increased by 60 per cent this year alone. They will double in another four years. That is hardly what I call scrimping on our veterans.

I also want again to put to rest any fears veterans might have over the consequences of the removal of heavy housekeeping from our lengthy list of services under VIP. Should there be any legitimate health and safety requirement on the part of an individual for the provision of a service presently available under heavy housekeeping, we will make sure that particular service in reinstated.

I believe that even the hon. critic for the opposition will agree that no veteran need be alarmed by the removal of this one item from an extremely generous and far-sighted catalogue of services. I certainly hope he realizes that the changes which have been made are in the interest of fairness, equity and justice for our veteran community.

As Doug Fisher, who was a member of Parliament in this House and a noted columnist now, himself a veteran put it: "No nation has treated those who served in its wars more generously than Canada". That was true yesterday, it is true now and will be true in the future.

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I welcome the opportunity to elaborate on my question of February 7 to the Prime Minister. My question, which the minister responsible for ACOA addressed on the Prime Minister's behalf, dealt with the so-called rescue plan worked out by the federal and Nova Scotia governments with National Sea Products for the fish plant in Canso.

This agreement, which was made without consultation with the people of Canso or the fish plant workers there, essentially contributed some $3 million to National Sea Products, in return for which the company was going to keep the plant open at a bare minimum, employing some 150 workers for four months of the year, after which they would give up their work for another 150 for four months of the year and then they would all go on unemployment insurance. This is a reduction from an 800-person workforce.

The trawler port was to be closed and fish was to be trucked in to Canso. One element of the plan was to allow the company to not pay the severance benefits which were to be paid to workers, because previously the plant was to be shut down. The bail-out essentially allowed National Sea Products to improve its assets in Canso and to allow a certain portion of the workers to draw unemployment insurance benefits. As one of the local commentators described it: "If this is a rescue plan, heaven help the town they decide to abandon".

The deal was rejected by the labour unions, the representatives of the fish plant workers and the trawlermen, and it has been rejected as a cruel hoax by the people of Canso. More recently it has been repudiated publicly by none other than the Premier of Nova Scotia himself, which led many to wonder after reading the comments he made to the press two weeks ago if he was, in fact, awake when the so-called rescue plan was being worked out.

Now we have a new Minister of Fisheries, who began in a promising way by visiting Canso and who won high praise in the local press for doing so. He has since become, however, infected with the disease of his predecessor which is touting the company line and saying: "The problem is too many fishermen chasing too few fish, and there is nothing more that the government can do about it".

The implied message, of course, is: "Sorry, Canso, but this government does not believe that you have a future in the fishery. You will simply have to go the way of Schefferville." That is not good enough. It is not good enough for the fish plant workers in Canso. It is certainly not good enough for the trawler workers in Canso whose port will be closed as a result of this deal. That is the point that I want to address in the remainder of these remarks.

The minister for ACOA replied to my supplementary on February 7 by saying that I was advocating what he called an entirely new concept to fisheries port quotas. This is a good place to set the record straight on what I was advocating.

In fact, it is quite unnecessary to institute a whole new concept of fisheries management in order to satisfy the simple basic requirement that Canso trawlermen be allowed to land their fish in Canso. It merely requires that the Minister of Fisheries exercise his responsibilities under the Fisheries Act.

Section 7 of the Fisheries Act states subject to Section 2 the Minister of Fisheries may, in his absolute discretion, wherever the exclusive right of fishing does not already exist by law, issue or authorize to be issued leases or licences for fisheries or fishing wherever situated or carried on.

Under the enterprise allocation program, which is one of the components of the allocation of fish and fish licensing and which determines the allocation for offshore vessels, the minister can and in fact does attach conditions to the issuance of enterprise allocations.

In fact, he specifies the kinds of vessels and the number of vessels which can be fished under the licences. He can and does specify the fish that can be caught and where they can be caught, and the fishing gear.

He specifies a number of other matters. In the time remaining, the point I want to come to is that what is required of this Minister of Fisheries is simply that he attach a condition to the enterprise allocation which would oblige the fishing trawlers that fish out of Canso to land their fish in Canso, rather than land their fish somewhere else and truck it into Canso. That is entirely consistent with the Enterprise Allocation Program. The minister can do it. It is one of the simple recommendations which would preserve the Canso plant. It is the form of leadership which has been conspicuously lacking in this government.

We should not forget that when the Liberal government restructured the fishery back in 1982 it had a lot to say about National Sea Products and helped that company out in order to allow a fish plant in Canso to be maintained viable. What we need from this government is a commitment to communities such as Canso and to use a little bit of imagination in coming up with a program to save communities which have no other alternative but to remain in the fishery. That is what I am counting on the new Minister of Fisheries to provide.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by responding to the remarks the member for Cape Breton Highlands—Canso made with respect to the closing of the plant at Canso in the province of Nova Scotia.

I want to remind him and the people of Canso that when National Sea Products Limited announced the closure of the plant in December of 1989, there were to be no jobs at all. As a result of negotiations by the federal government, by the government of Nova Scotia with National Sea, a new arrangement was made whereby 150 jobs to be shared by 300 plant workers were created and were to be continued on a long-term basis.

Nobody suggested that this was an ultimate solution, but what it did was breathe hope and some life into what otherwise would have been a closed fish plant.

• (1950)

I want to remind the member, too, that in 1970 this same difficulty occurred when Acadia Fisheries closed down in Canso and the plant was left unoperated. It was only when the Government of Nova Scotia and other governments intervened to again breathe some life into the fish plant that a new life was created and the fish plant continued until this latest crisis.

I want to remind the member that there is some passage of time that has to be taken into account when one is being so critical of these attempts to revive what is obviously, by all agreement, a difficult situation.

Everyone has said since the beginning of this difficulty that there are no magic solutions. You do not need to take my word for that. That was the subject of a column in the Toronto *Globe and Mail* by Jeffrey Simpson who commented on the emergency debate on the Atlantic fisheries held in December of 1989. He pointed out that rhetoric provides no solution. He said:

> Rhetoric aside, the opposition's major alternative seemed to be to force National Sea Products—to spare the closed plants by spreading fish supplies around. How that could and should be done with a 1990 catch 45,000 tonnes below that of 1989 remained unaddressed, for the good reason that there is no answer.

That is the problem. There are no magic solutions. Do not take my word for it. It has been confirmed by a great many experts.

Let me deal very briefly with the matter of community quotas, or port quotas as the member called them. This arrangement has been dismissed by his own colleague in the Senate, Senator Michael Kirby, who was the author of the task force on Atlantic fisheries back in 1982. He said:

> The community quota scheme is completely irrational from an economic point of view since it implies, first, that all plants must be subsidized, and second, that capacity adjustment would not take place anywhere.

So, Mr. Speaker, it is not the government that is turning down community quotas or port quotas, it is his own colleague in the Senate of Canada advising against it. Notwithstanding that, the government is looking at this as it is looking at all solutions.

Let me end on a positive note. The Prime Minister of Canada was in Halifax, Nova Scotia, on March 6, 1990, and he reiterated his promise that there would be an assistance package for the Atlantic fishery. It will not just help Canso, it will help Lockeport and all the other areas that are suffering under this current plight in the Atlantic fisheries.

Let us get positive about this thing. Let us come to the House of Commons with solutions, not with empty rhetoric.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.53 p.m.

HOUSE OF COMMONS

Tuesday, March 13, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENT

TABLING AND REFERENCE OF APPOINTMENT

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table in both official languages an Order in Council appointment which was made by the government.

Pursuant to the provisions of Standing Order 110(1), this Order in Council is deemed referred to the appropriate standing committee.

* * *

[*Translation*]

FORESTRY AND FISHERIES

TABLING OF FIRST REPORT

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Forestry and Fisheries, in both official languages.

This report refers to the Fisheries Committee and to the report on aquaculture in Canada prepared by the Standing Committee on Fisheries and Oceans which was tabled in the House in July 1988. The report asked the government to respond pursuant to the Standing Orders but the House dissolved before a reply was tabled.

Believing that this report on agriculture in Canada is still current, the committee asks the government to table a comprehensive response to this report, pursuant to Standing Order 109.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

PRAIRIE DROUGHT

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I have the honour on behalf of more than 2,000 farmers in southwestern Manitoba, most of them residing in my constituency of Brandon—Souris, to present a petition to the House of Commons noting that the crops in southwestern Manitoba were actually worse in 1989 than they were in 1988, the year in which the drought assistance program was available.

My petitioners very appropriately call for assistance either from the provincial or federal levels of government or preferably jointly, and they note that if this assistance is not forthcoming many farmers in our area will not survive. This, in turn, will have a very drastic impact of the whole of southwestern Manitoba.

In closing, I would like to add my very strong personal words of support to this very appropriate petition.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I am today tabling a petition from Lebel-sur-Quévillon, Quebec, further to the recommendations of the task force on tax benefits for northern and isolated areas.

Lebel-sur-Quévillon is undoubtedly an isolated community and for that reason, the signers of this petition consider the Brunelle recommendation to be discriminatory, unfair and inappropriate to the purpose of the northern tax benefit plan. It does not encourage settlement of the North and resource development there.

• (1110)

POST SECONDARY EDUCATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to present to this House 10 new petitions signed by students from Ottawa University who simply point out that overcrowded lecture halls, deteriorating laboratory equipment, a lack of library resources, the student-teacher ratio, the elimination of some curriculums as well as deteriorating buildings and facilities are a typical feature of Canada's postsecondary education system today.

Mr. Speaker, these students put forward a number of other arguments. On this basis, these citizens call upon Parliament and government to commit to holding a top level federal-provincial conference in order to establish the financial responsibilities of both levels of government with respect to postsecondary education and to put an end to the shameful neglect higher education has been subjected to in Canada.

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I also have a petition signed by Canadians who are strongly opposed to the goods and services tax proposed by the Conservative government. They say that this tax is totally unfair and unjustified; that it will impose an extra burden on poor and lower income families; that it will raise inflation; that it will create serious difficulties for small business. Therefore, they humbly ask Parliament to reject this proposal to impose a 7 per cent goods and services tax on Canadians.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present several petitions from areas throughout the Algoma riding, including communities in Blind River and Elliot Lake, Espanola, Mindemoya, Tehkummah, and a number of other communities throughout the Manitoulin district of northern Ontario, in which they call on the government to withdraw the goods and services tax, even though it has been reduced from 9 per cent to 7 per cent. They point out that this will be very hard on senior citizens. It will increase the cost of goods and services in northern Ontario. It will be especially onerous to the tourist industry.

I hope the government will take these humble petitions from my constituents into account in its policy with regard to this tax.

NORTHERN TAX BENEFITS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a number of petitions related to the northern tax benefit. They have different wordings, and I will be giving information to the House on the issue.

The first petition is from a number of people in the communities of Thompson, Pikwitonei, Snow Lake, Cross Lake, Ilford, York Landing, Norway House, Pukatawagan and Princess Harbour. In this particular petition they call upon the federal government to reject the recommendations of the task force on northern and isolated areas. They believe that we should develop a fair and equitable tax benefit program which recognizes the financial needs of people in northern and isolated areas.

I also have a petition strictly from the people of Thompson, Manitoba, expressing their concern with the situation that Thompson and Wabowden and Paint Lake have been left out of the northern tax benefit, even though they are definitely northern communities. They have been prescribed, as have communities in other northern areas like northern Alberta, northern Quebec, northern B.C.. They believe that the federal government has not paid attention to the northerness of their communities and that it is time these communities receive the full northern tax benefit as their neighbouring communities do.

In addition to that, after the task force on northern benefits made its report, we have another 772 names from The Pas, Flin Flon, Cranberry Portage, Cormorant, Moose Lake and Gillam. The people in these communities say that the task force on tax benefits for northern and isolated areas, released Friday, October 27, fails to address the realities of the north, the high cost of living and working in these areas—the whole cost of isolation. They call upon Parliament to reject the recommendations of the report and to develop a fair and equitable tax benefit program which recognizes the financial needs of people in northern and isolated areas.

In addition to that, Mr. Speaker, there are people from The Pas, Manitoba who also set out a petition rejecting the task force on tax benefits for northern and isolated

areas. They again talk about the need for real tax benefits for people living in northern and isolated areas.

They call upon Parliament to reject the proposal of the task force and call upon the government to act in this area.

I wish Tory Conservative MPs would get up with their petitions on this issue and express their concern and outrage with what the task force on isolated areas has recommended, which is basically denying thousands of communities in northern Canada from receiving this benefit.

I have another petition from The Pas. I will not bore the Speaker by reading it, but it is along the same lines. The petitioners point out that the federal government task force is ignoring the north and it is time that we had action from the government to reinstate the full tax benefit for people in northern Canada.

I do not want to go through all my petitions today, but I do want to indicate that certainly in northern Manitoba there is a drastic reaction to the federal government and the task force proposals. I would expect the Parliamentary Secretary for the Government House Leader to get up with his petitions on the northern tax benefit as well.

CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise today under Standing Order 36 to introduce petitions from two groups of people regarding child care. They are from the Canadian University Teachers. They represent 25,000 university faculty, professional librarians and researchers across Canada. They recognize the importance of child care for employment equity and accessibility to university programs and have a policy in their organization supportive of quality, accessible and affordable child care.

The Canadian Association of University Teachers has pleaded with this government to urge the minister to live up to the commitments of child care and to provide comprehensive, quality, accessible and affordable child care programs for Canadians.

These professionals are from New Brunswick to British Columbia. I am pleased to table this petition on their behalf.

GOODS AND SERVICES TAX

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, it is my privilege to rise under Standing Order 36 to present a petition on behalf of my constituents. They are concerned about the goods and services tax and all the ills of this particular initiative by the government.

Their main concern is that the imposition of this new general goods and services tax at any per cent will cause serious and unfair hardship to low and middle-income Canadians. Also many small businessmen and women in my communities are very concerned that the imposition of this tax will create an administrative burden and an over-all burden on small business so that many of them, in fact, will have to go out of business.

These petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

EXTERNAL AFFAIRS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I wish to present two petitions pursuant to Standing Order 36, certified as correct. One of them asks the Parliament of Canada and the House of Commons to take immediate and effective measures to secure Mr. Leo's release from jail. Mr. Wih-Sheh Leo, is a Canadian citizen who was arrested unlawfully and sentenced to ten months imprisonment for exercising his right to return to his native land and is currently under indictment on sedition charges, facing a minimum term of ten years imprisonment.

These petitioners humbly ask this Parliament to issue a public statement expressing Canada's concern over a Canadian citizen's rights being violated and to instruct the Canadian embassy in Japan and the High Commissioner's office in Hong Kong to send a representative to Taiwan, to appoint a lawyer to handle the case, and to request Canada's allies which have representatives in Taiwan to assist with the case.

GOODS AND SERVICES TAX

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I have a petition on behalf of many residents in Toronto in my riding of Eglinton—Lawrence who add their petitions to those I submitted to the Minister of Finance from Katz's Deli in my riding.

• (1120)

They, too, object vehemently to the imposition of the 7 per cent GST, and they join with many other Canadians across the nation today and the rest of this week in calling 1-900-720-6052 to register their protest to the imposition of this most unjust of tax.

Mr. Allmand: What is that number?

Mr. Volpe: It is 1-900-720-6052.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): The hon. government House leader.

* * *

UNEMPLOYMENT INSURANCE ACT

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 57, I move:

> That debate on the motion of the Leader of the Government in the House of Commons in relation to amendments made by the Senate to Bill C-21, and on any amendment proposed thereto, shall not be further adjourned.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion which was agreed to on the following division:

(*Division No. 198*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blenkarn	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Danis
Darling	DeBlois
de Cotret	Dick
Dobbie	Domm
Dorin	Edwards
Epp	Feltham
Ferland	Fontaine
Fretz	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hogue
Holtmann	Horner
Horning	Hughes
Jacques	Jelinek
Johnson	Kempling
Kindy	Koury
Langlois	Larrivée
Layton	Lewis
Littlechild	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Marin
Masse	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Monteith	Moore
Nicholson	Nowlan
O'Kurley	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—134	

NAYS

Members

Allmand	Althouse
Arseneault	Axworthy (Winnipeg South Centre)
Baker	Bellemare
Blackburn (Brant)	Blaikie
Brewin	Callbeck
Campbell (South West Nova)	Catterall
Crawford	de Jong
Duhamel	Ferguson
Finestone	Fisher
Flis	Fontana
Foster	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Gray (Windsor West)	Harvard
Hopkins	Hovdebo
Hunter	Jordan
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacLellan
Maheu	Manley
Marleau	McCurdy
McGuire	Mifflin
Milliken	Mills
Murphy	Nault
Nystrom	Pagtakhan
Parent	Parker
Phinney	Pickard
Proud	Robinson
Rodriguez	Skelly (Comox—Alberni)
Speller	Stupich
Taylor	Volpe
Walker	Whittaker
Wood—69	

• (1200)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND—NON-CONCURRENCE IN SENATE AMENDMENTS

The House resumed from Monday, March 12, consideration of the motion of Mr. Andre in relation to the amendments made by the Senate to Bill C-21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act; and the amendment of Mr. Gauthier (p.9099).

The Acting Speaker (Mr. Paproski): On debate, the hon. member for Gander—Grand Falls. The hon. member has 12 minutes left for debate.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, in moving closure, the Government of Canada has just moved closure on 1,090,000 Canadians who are now collecting unemployment insurance benefits that average $215.88 a week. The government has just moved closure on perhaps the poorest group of people in Canada, who cannot make ends meet, and this government, supported by these Tory members here today, has just approved of a bill that not only will increase the qualifying periods but will decrease the period of time that these people can collect unemployment insurance.

Just imagine, $215.88 a week, Canadian average, and the big bully Government of Canada is going ahead with this bill and moving closure in this Chamber. The government claims that it is going to streamline the unemployment insurance scheme and it is going to increase the training component. On the one hand, the government is out of touch and on the other hand it is out of mind.

The government, in moving closure, is saying that people throughout Canada will need to be living in an area of less than 15 per cent unemployment in order to maintain the repeater provision of 10 weeks to qualify for unemployment insurance. The present law is for 11.5 per cent unemployment. This means that now, with the drawing of all these lines, it will depend upon which side of the line you live on. That is what will determine whether you will collect unemployment insurance or not.

Just imagine the discrimination involved in that. The majority of the people who live in rural areas, in the case of Newfoundland and Labrador, do not work where they live. If they work as a group, either on the ocean, in a mine or in the forest, when they go to register for unemployment insurance the question that will be asked is "Where do you live?" because where they live will determine whether they collect unemployment insurance.

Prior to this bill, 11.5 per cent was the cut-off point. Now, under this Tory government, it is 15 per cent and that is going to mean three different rates in the province of Newfoundland and Labrador.

Then the government says it is going to increase the money for training. What a silly proposal this government brought in in 1984. Since 1984 this group of Tories approved training programs that say that if you are an unemployed logger living in a logging community and there is a job-creation project in your community which has to do with cutting wood, you cannot go to work on it because you are already trained to cut wood. If you are laying a pipe under the ground that is a part of the water system in your community, as dozens of communities are

in Newfoundland, you put in a part of the water system and you apply next year for this so-called training program of the federal government. The government says: "Oh, no. They have already been trained as ditch diggers. You can't go to work two years in a row training to be a ditch digger, so your project does not qualify anymore."

• (1210)

In various places in Newfoundland and Labrador we have communities with half a waterline under the ground. Just imagine half a waterline under the ground. The pipe is half in in the community. It was put there prior to this government coming to office. I can name the communities for you, Mr. Speaker. The pipe is half under the ground in Whale's Gulch, Valleypond and Hillgrade.

This government came into office and said: "Every single job creation program funded by the federal government of Canada from this moment on has to be a training program. We can't train you again to dig a ditch so therefore you can't have any more money to put in your waterline." Shame on the Government of Canada for making a decision like that. Shame on the Minister of Employment and Immigration who stands in the Chamber and says: "We want more money to put into a program."

The government says to these communities which have part of a waterline underground: "If you want to build a building, you can build a building." The communities want to finish their waterlines, but they cannot do that. The Government of Canada says: "No. That waterline is half done under the ground. You already trained the workforce in the area to dig the ditches. Therefore we will now give you money to train them to be carpenters but you are not allowed to hire any carpenters."

Just imagine the upheaval in that particular community. Imagine the group of working people in that community for whom, under this new legislation, whether they will qualify or not for unemployment insurance depends upon which side of the line they live on. If they do not qualify, a fellow will say that he now needs 16, meaning 16 weeks. If he does not have enough for the 16 then he will have to go on a 26, which is a training program. If he does qualify, he will go on a 25. That is the Government of Canada today: If you need an extra two or three, you can go on a 26, and if you qualify, you can go on a 25.

When the Government of Canada came into power in 1984, under a Tory principle it said to every community in rural Canada that was developing its water system: "You can't get any more money for that, but we'll give you money to waste. We'll give you money to do anything else, but you can't do it two years in a row." That is the training program the government promised in 1984. It promised that under its training component it was going to give unemployment insurance to everybody who was in a registered school of instruction for a vocation. In other words, everybody who was in a post-secondary institution who qualified for unemployment insurance under the Tory plan in 1984 was going to be able to collect unemployment insurance.

What do we see today? Today we see one of the most discriminatory systems of payment for training ever in effect in the country. Two individuals sit in a vocational school. They worked together and both are laid off. One is receiving unemployment insurance and the other does not qualify. A full 50 per cent of those people who applied for unemployment insurance under a promise of this government in 1984 do not qualify for that unemployment insurance.

The Government of Canada now comes along and says: "Now we have got a new system. It is now going to depend on what side of the line you live on," because it is now 15 per cent unemployment in effect and not 11.5 per cent.

Mr. Reid: Tell that to the people of Goobies.

Mr. Baker: The hon. member across is saying: "Say that to the people of Goobies". It just so happens that the line is at a community called Goobies. People who live in rural areas are walking into unemployment insurance offices and being asked what side of the line they live on. I would suggest that with such a program the Government of Canada is encouraging people to buy mobile homes. This bill should not see the light of day.

Under Standing Order 26(1) I move:

That the House continue to sit during the lunch hour today for the purpose of continuing debate on this motion.

The Acting Speaker (Mr. Paproski): Will those members who object to the motion please rise in their places.

And more than 15 members having risen:

The Acting Speaker (Mr. Paproski): Fifteen members having risen, pursuant to Standing Order 26(2) the motion is deemed to have been withdrawn.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, on April 11, 1989, I rose in this House to introduce this government's labour force development strategy.

I rise now, almost one year later, to underline the continued commitment of this government, and of the people of Canada, to that strategy. I will not reiterate the extensive procedural views expressed by the government House leader yesterday, but I would urge all members to review his very clear statement outlining how the other place has transgressed all of its traditional constitutional powers with this message.

Liberal senators claim that they cannot pass Bill C-21 which the House sent them. They claim they have serious reservations about what the government proposes to do in the fields of training and unemployment insurance. What is it that we want to do as a government which so unsettles them? We want to improve the social benefits available through UI.

• (1220)

We want to ensure that unemployment insurance provides incentives for claimants to work. We want to adjust the financing of the programs so that those who benefit also pay a fair share and we want to increase the training available to Canadian workers. Those are our goals. What are their goals? Their goal is political theatrics.

[*Translation*]

The Liberal senators will say to whoever wants to listen that the government drafted this bill in the conviction that the unemployed are lazy and should be punished. Nothing could be further from the truth. This bill is based on the assumption that people really want to work and that they must acquire new skills to play a worthwhile role in a fast-changing economy.

[*English*]

Bill C-21 is based on the assumption that the strategy of throwing money at the unemployed denies them the chance to break out of a cycle of UI dependence that has gone on in this country through generations of Liberal governments. In a climate characterized by the sorts of political games which Liberal senators seem to favour, it is difficult to see their amendments as sincere attempts to improve this bill. Indeed, most of their recommendations are not even new.

However, the government has reviewed the message offered by the Senate and as stated by the leader of the government in this House, and we can support the intent of some of the recommendations. Identification of literacy as a training need, more detail in our development plan, more explicit protection for the system of benefits for self-employed fishermen are all amendments that we can support.

However, I think that hon. members will agree with me that many of the recommendations of the Liberal senators represent an assault on the taxpayer and an assault on the rights of this elected House. By their own admission, Liberal senators suggest that the most significant recommendations are those related to the funding of UI by the federal government.

Recommendations 7 and 9 would cost taxpayers at least $1.5 billion each and every year. Is this not an assault on the rights of the House? Of course it is. And I should not have to remind members that we simply do not have that kind of money as a government and as taxpayers and as the people of Canada. It is an affront to the rights of this House to have appointed senators attempt to dictate spending to us. Senators have no right to force us to raise taxes or increase the deficit.

[*Translation*]

While we must improve the skills of Canadian workers in order to compete effectively with other countries, we must also continue to put our financial house in order. The Liberal senators, however, want us to finance a major part of regular unemployment insurance benefits and the majority of benefits paid to self-employed fishermen, realizing all the while that this will only increase the deficit.

[*English*]

Now perhaps that understanding is lost on Liberal senators who only remember how to spend other people's money. It is not lost on this government that has proposed many improvements to UI within a context of fiscal reality. That is the reason we are asking employers and workers to fund the insurance system from which they benefit. It is not the unemployed who pay, it is the employed and their employers, and it is the latter who pay the lion's share.

I must also reject the scare stories spread by the Liberals that we are privatizing UI, whatever that may mean. The federal government will continue to play a key role in managing this vital program. As we consult with employers and workers on UI policies we will ensure that UI continues to reflect the legitimate needs of workers and employees, but we will also seek their input into the solutions. In short, recommendations from Liberal senators on these topics are completely unacceptable.

Let me now turn to the issue of increasing penalties for workers who quit jobs without just cause. Liberal senators have directly contradicted a basic aspect of this bill with their recommendation on this issue. Senators seem to have decided that anybody who quits a job probably had no choice. Let me quote Senator Norbert Thériault on this issue. He said:

> Those are personal decisions and decisions that would only be made with good reason.

But that is not why previous Liberal governments felt it necessary to impose harsher penalties on those who quit without good reason. It was a Liberal government that initiated this principle. However, members of this House understand that while some workers do have good reason to quit, others do not. That was the purpose for improving the just cause provisions in Bill C–21.

Strengthening the law to ensure that people who quit jobs without just cause cannot as quickly get unemployment insurance was a change which this House approved. That change alone will save $450 million per year, money which could be put to better use within the UI system.

But Liberal senators seem to believe that spending $1.1 billion a year in benefits to people who are fired for misconduct or who quit their jobs without just cause is an appropriate use of UI funds. I may point out that we are almost the only country in the world that would tolerate such a thing.

The impact of this incentive and the general tightening of entrance requirements and benefit duration was best summarized by a witness before the Senate committee, Mr. Patrick Grady of Global Economics. He estimated that passage of Bill C–21 would result in reduction of the unemployment rate by up to 1 per cent. Now, is the other side not interested in lower unemployment rates in this country?

The next group of recommendations from the Senate that I want to discuss does three things. First, it rejects the decision made by this House to invest UI funds in developmental uses for people. Second, it rejects the decision of this House to recognize the difference between counselling decisions and financial or legal decisions. Third, it restricts our ability to be innovative within the UI program. Some senators think that everything that has been done in the past should be frozen there forever.

None of these recommendations is acceptable and I will explain why. A critical component of the Labour Force Development Strategy is the counselling of UI claimants that takes place in Canada Employment Centres. Employment counsellors work with claimants as partners to determine the best approach to meet individual employment needs. It is counselling that helps people find jobs, as I would point out to some of the shouting voices over there, who are not even prepared to listen.

Among the tools claimants and counsellors will use in this process are the developmental programs such as training and relocation and entrepreneurship that this bill would allow; training, relocation and entrepreneurship being things the other side is against. These are designed to use UI funds to give people a break, to give them the skills and opportunities to break out of the UI cycle. We believe that a small investment now is better for the individual and will save years of future UI costs.

The costs of training courses, the ability to capitalize benefits and the ability to help claimants move to areas of greater employment opportunities are all aspects of an active employment policy. That does not necessarily mean moving to another province. It does mean moving

within one's own region when there are opportunities available.

Our original decision to pay for support costs like these from the UI account was based on the understanding that these are costs that represent a short run cost and a long term saving to the UI account, and are a far greater benefit to the individual UI claimant. For that reason, we cannot accept the recommendations which would eliminate many of these investments from the UI account.

[*Translation*]

As far as the second question is concerned, the decisions made at the time of counselling are not legal ones. Counselling is a complex process which consists in helping a claimant make the right decisions about his future.

Referral to a training course is a major decision which costs taxpayers thousands of dollars. It is not like a routine purchase at the corner store.

The House showed it understood this when it agreed to simplify the Unempoyment Insurance Act and establish clearly that claimants cannot appeal decisions relating to training or other developmental uses.

• (1230)

This House also realizes that an arbitration board cannot possibly assess, during a 30-minute hearing, all the complexities involved in many hours of counselling, trial runs and reflection on the part of the claimant and the counsellor with whom he or she works.

[*English*]

The third flaw in this group of recommendations is the desire of Liberal senators to restrict our ability to develop new approaches in aiding the unemployed.

The UI Act is quite precise in its definitions and 50 years of jurisprudence have made that even more exact. However, if we want to encourage innovative and active programming, a basic belief in this bill, then we need some latitude for special cases, and that is what the senators want to restrict.

Let me give an example. Under the current law a claimant who loses her job and decides to start a business to use her skills would be cut off UI automatically. This bill gives us the flexibility that we need to implement new uses for UI funds which our trading partners are finding so successful now and which is happening in other imaginative systems around the world.

[*Translation*]

The last group of recommendations should give all members of this House cause for concern. This is a very important matter.

Need I remind hon. members that in recent years, the Liberal senators have constantly sought ways to obstruct the work of the elected House. This message is a brazen attempt to increase their powers.

The Liberal senators want the power to impose changes in regulations and plans on the elected government. The Liberal senators sent us a series of recommendations that in effect would allow them to turn down the proposed amendments to the regulations on fishermen's benefits. They also worded their message in such a way that, with some clever parliamentary manoeuvring, they would be able to reject the government's plan to use unemployment insurance funds for training purposes.

This House cannot accept amendments that would give non-elected senators the power constantly to obstruct the wishes of the elected House.

[*English*]

The more pernicious action can be found inherent in recommendations 7 and 9 of the Liberals in the Senate. Members will know the parliamentary rule that the Senate may not increase taxes or expenditures, but the recommendation from the Senate seeks to do indirectly what it cannot do directly. Liberal Senators have decided that they have the right to stop the elected government from controlling the deficit by controlling government spending. Liberal Senators have decided that they can say and that they have the right to say that the government must continue every program, every legal obligation it has ever had but, if taxes have to go up to pay for it, it is not their problem.

Let me quote Senator Thériault again: "If the GST has to be 10 per cent then they must tell the people it has to be 10 per cent. They should not destroy a fundamental program."

This House must tell Senator Thériault and his unelected colleagues that the government, democratically elected, is accountable to the Canadian people and nobody knows that better than we do. It is accountable for the taxes it levies and for the programs it administers

and that government elected must have the ability to control its spending.

Let us be clear on one thing. Real leadership implies accountability, and accountability is what is at issue here. Canadians know the economic reality facing this government and this country. They have no patience for political games. Even *The Toronto Star*, my neighbourhood newspaper, recognizes the tactics of the senators for what they are. It stated: "To hog tie the government with billion dollar amendments that would wreak havoc on its deficit fighting strategy is little more than political grandstanding and obstructionism."

[*Translation*]

Unlike the Liberal senators, this government has made real decisions. It has chosen to consolidate the safety net that unemployment insurance provides and to improve the system, in recognition of the fact that Canada must do what all industrialized countries are doing.

I may remind hon. members that during all this time we have spent considering the bill, our economic partners have spent billions of dollars to increase the skills of their workers. If we accept this message, Canada will surely fall behind even more, compared with its competitors.

[*English*]

Let me conclude by reminding the House that 50 years ago unemployment insurance was developed to provide income to workers who had lost their jobs. The bill which is again before us continues that role. UI will still be there to provide income to workers who lose their jobs, but we wanted to do much, much more.

This government is well aware of the important challenges facing Canada in the international economy and facing the future of Canadian workers. It knows that a well trained workforce is a critical part of meeting that challenge and providing stability and security for Canadian workers.

We believe that the principles behind the proposed changes to unemployment insurance are sound. The changes themselves are moderate ones. I firmly believe that this House should reply to the message from the Senate by saying that if it agrees that UI should become a more effective program which provides better benefits to parents and older workers, which increases incentives to work, which responds to the fiscal realities of today and which, above all, helps train and retrain Canadian workers to provide them with a better future, then pass the original bill which this House sent to you and let this government make those improvements now, nearly one year after we began this exercise.

I urge all hon. members to vote in favour of this motion by the government House leader.

Mr. George Proud (Hillsborough): Mr. Speaker, I am pleased to have the opportunity to discuss the amendments proposed here by the other place to Bill C–21, an act to amend the Unemployment Insurance Act.

During the 1988 election campaign the Conservatives promised Canadians that the unemployment insurance system was a sacred trust and that there were absolutely no plans to change it. Scarcely six months later the Minister of Employment and Immigration confessed that yes the government would be making major changes to the system. Indeed the changes proposed were so major as to alter the face of the system altogether and divert it from its original purpose.

When Canadians appeared before the committee they pointed out the numerous flaws of the proposed new system. They tried to explain to the government how devastating the changes would be to unemployed workers all across the country, and they conveyed the sense of betrayal that Canadians felt knowing that the government had broken yet another promise but also that the government was not listening.

We have before us today the amendments proposed by members in the other place, changes that recognize the government's stated intention of deficit reduction but which also recognize the needs and the dignity of unemployed Canadians. Many of those Canadians who have special needs reside in Atlantic Canada, and it is on behalf of those people in particular that I speak today.

My colleagues and I have risen in this House countless times to voice the concerns of Atlantic Canadians, and I will do so once again because I hope that by dogged persistence we can finally make the government under-

stand what it proposes to do to these people as nothing else seems to be working.

• (1240)

Times have never been easy on Canada's Atlantic coast. The region has always depended on an overwhelmingly seasonal resource based economy. For instance, the economy of my province of Prince Edward Island is dependent upon fishing, farming and tourism. Because our economy is seasonal unemployment insurance is an integral part of that economy. We do not like it but that is the way it is.

For example, in 1988 Prince Edward Island received over $138 million in unemployment insurance benefits. That is approximately $1,076 for every man, woman and child in that province. Compare that to the $422 per capita on the average in Canada.

Approximately one out of every five Islanders in the labour force relied on UI benefits at some point during the year. As a matter of fact, the UI program contributes more money to the provincial economy than many of our industries. That gives some idea of the vital role that unemployment insurance plays in the lives of Islanders and indeed of all Atlantic Canadians. That is why, when the government announced its intention to stop its contribution to the fund as of January 1990, Atlantic Canada went into shock. That is why such a decision can be viewed only as yet another step in the federal government's gradual abandonment of Atlantic Canada. By cutting out some $2 billion from the program and by diverting remaining funds to vague "training programs", the government is removing a major pillar of the regional economy.

Members of the other place realized the devastation that the passage of this legislation as is would wreak. That is why they proposed in their report that the government continue to ensure regionally extended benefits. One-half of the value of those weeks of benefits paid when the regional unemployment rate is over 6 per cent would continue to be funded from general revenues, and not from the UI account which will consist of employer and employee contributions only. In this way the government will not be able to avoid its responsibility for high regional unemployment.

Bill C-21 proposes to divert funds intended for income maintenance to training programs. This is a praiseworthy goal; no one would deny that. However Canadians want to see some substance behind those lofty words. They want proof that the government has devoted a great deal of thought to what achieving this goal really means. They want to see that the government understands how the Canadian economy is developing before they trust it to divert these funds for developmental uses.

What kind of economy is emerging in Canada? Last month the Economic Council of Canada released a study entitled "Good Jobs, Bad Jobs: Employment in the Service Economy". This respected organization concluded that Canada will experience a continued trend toward service industry jobs. The services which have the most potential to stimulate regional economies are called "dynamic services" that include transportation infrastructures, telecommunication systems, municipal infrastructures, financial services and business consulting services. These are the areas which will see the greatest job creation and the most growth.

However the council concludes that these dynamic services are overwhelmingly located in the large centres such as Toronto, Vancouver and Calgary. Perhaps jobs are being created every day in Canada. We know they are. but what the government does not like to admit when reeling off impressive statistics is that these jobs are located in just a very few centres.

For example, in Prince Edward Island unemployment has continued to soar. We currently have a rate of 16.2 per cent, the same as our neighbouring province of Newfoundland. We want to know: Where are the jobs that the Prime Minister loves to boast about?

The council goes on to state in its report that it expects that the good, well paying jobs will continue to be concentrated in large cities, a trend which will widen regional disparities.

Job creation tends toward the high skill, high paying jobs which we have already stated are concentrated in large cities. The low skill, low paying jobs, if we get them, these are the ones that the regions have. Are Atlantic Canadians supposed to be happy with the crumbs from central Canada's table? That is the message from a government which gears its fiscal policy toward the overheated economy of southern Ontario at the expense of the rest of the country.

Since the government has not yet proven itself capable of developing and managing a realistic, effective, full employment strategy, it will be understood why unemployed Canadians are skeptical and nervous when the government sings the praises of training.

Another sign that the government seems to have forgotten how the Atlantic Canada works is the changes it would make to the entrance requirements and the duration of benefits. Once again the seasonal economy dictates that it is almost impossible for many Atlantic Canadians to find full-time year-round work. This government's ministers should spend some time on the east coast, and then they would find out that it is virtually impossible to fish in the wintertime, to grow crops in the wintertime, and that the tourists cannot enjoy our beaches at that time of year. We did not plan it that way, but it is that way nonetheless.

As a result, many workers barely scrape together the number of weeks of insurable earnings they need to qualify for the benefits. When they have qualified they need all of the weeks of benefits they can get to see them through. This money does not go toward vacations in Florida or fancy cars, as the government's blame the victim mentality would suggest. No, no. Instead, this money goes to pay the rent, to buy food, to buy clothing, and to educate their family.

Almost as important is the vital role that UI benefits play in local economies. When central industries such as fishing, farming and tourism shut down for a great part of the year, individual workers are not the only ones who face lean times. Local businesses and service industries need the stimulation that the UI benefits provide in order to survive, much less thrive. If these businesses falter not only do the owners and managers and their families suffer; so do the people whose employment depends directly or indirectly on these industries.

I am saying all of this in an effort to make the government realize what an integral, essential role UI funds play in every aspect of Atlantic Canadian life. UI moneys are a vital link in our economy simply because of the nature of that economy. If that link weakens or disappears the whole chain will weaken or even disintegrate.

The government's proposed new structure for eligibility and benefit duration provides damning evidence that the government fails to understand the facts I have just outlined or, even worse and hopefully not true, it just does not care. The proposed changes make little or no sense.

Under Bill C-21 the maximum duration of benefits would be reduced in most instances, except in cases where claimants have acquired a very large number of weeks work and reside in an area of very high unemployment. What are the chances of that combination? Virtually none. This totally unrealistic picture of the economy is further reflected in the relationship between benefit duration and regional unemployment rates which the government would impose. Three weeks of benefits would be paid for each percentage point interval of unemployment between 6 per cent and 8 per cent. This would increase to four weeks for each point interval between 8 per cent and 12 per cent. It would decrease to two weeks for each point interval between 12 per cent and 16 per cent.

What it boils down to—and I really wonder if the people who designed this new system bothered to test their model at all—is that the region of St. John's, Newfoundland with an unemployment rate of 12.4 per cent will lose up to 11 weeks of benefits, while the region of Toronto with a rate below 4 per cent will lose a maximum of three weeks. This makes absolutely no sense, and that is the bottom line.

The government must follow the recommendation of the other place and moderate these changes. As well benefits in regions with very high unemployment, which means most of the Atlantic region, must not be reduced.

One group of Atlantic Canadians who are especially concerned about the government's confusing plans are the fishermen. I should not have to remind any member of the House of the severe crisis that industry is already in. We need only think of Canso, Lockeport, Gaultois, Grand Bank, and Trepassey to call up images of the trauma afflicting the people who depend on the fishery for their livelihoods and for the life-blood of their communities.

• (1250)

Now more than ever fishermen and their families need the support of the unemployment insurance program. In 1956 the Unemployment Insurance Act was amended to extend coverage to self-employed fishermen. In fact fishermen's premiums are paid directly into the Consolidated Revenue Fund and not into the unemployment insurance fund. This means that they are not actually protected by the program. Rather, the government is

responsible for making up the difference between the premiums paid and the benefits collected.

Every unemployed person in Canada is fearing the loss of the UI support system, but no one has more reason to be worried than the fishermen. Bill C–21 would place the full cost of fishermen's benefits on the UI fund. By withdrawing its contribution to this fund, the government is placing the future of the fishermen's benefit at great risk. The government has promised that these benefits are safe. Well we all know how the government keeps its promises. If it truly wants to reassure the fishermen of Atlantic Canada, the government will not balk at taking concrete steps to protect the benefits as recommended by the amendments here today.

For that matter, if this government's true goal is positive reform of unemployment insurance, it will not balk at any of the amendments proposed here today. They are moderate, sensible and sensitive to both the government's professed goal of deficit reduction and to the needs and the dignity of unemployed Canadians.

It is for this reason that I fully support these amendments and I urge the government to support them as well.

I move:

That the House continue to sit through the lunch hour for the purpose of continuing consideration of the motion now before the House.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion moved by the hon. member. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): Will those members who object to the motion please rise in their places.

And more than 15 members having risen:

The Acting Speaker (Mr. Paproski): Fifteen or more members have risen. Pursuant to Standing Order 26(2), the motion is deemed to have been withdrawn.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I rise today in support of the motion by our hon. House leader. The amendments to Bill C–21 contained in the message from the other place with very few exceptions are fundamentally in conflict with the intention of the government's bill.

It is the duty of the government to review old legislation and programs and revise others to make them current and responsive to the needs of the times. To do anything less would be to abrogate or ignore our responsibilities and the trust placed in us through the democratic process.

When in November 1988 Canadians cast a ballot, they cast a very decisive ballot in favour of the Progressive Conservative Party. This was not a timid or a tentative vote. The voters gave the Prime Minister's Tories a definite majority, and that majority decision carried with it a compelling message: exercise the franchise that you have been given and exercise it with leadership to get this country's economy back in order. Every member of this government caucus has taken that message to heart. We have all pledged to pursue the action asked for by Canadians when they so resoundingly endorsed a second Conservative majority.

No one in this House has been more conscientious in following that dictate than the hon. Minister of Employment and Immigration. She was one of the very first off the mark last April 11, 1989 with new legislation designed to improve the unemployment insurance system vastly and to make it more responsive and better serve the needs of Canadians in the 1990s.

Bill C–21 is responsive to regional disparities while it reflects the need to make the system more self–sufficient. Bill C–21 recognizes that life in the 1990s will require new skills as our use of technology gains momentum. Bill C–21 also responds to the fact that there are changing roles in family life where both spouses play an active role in raising the children as well as in earning a living.

All these measures and many others were carefully devised by a caring and a conscientious minister who was anxious, as I said before, to respond to today's needs in today's society. We cannot continue with old programs

simply because they are in place and expect them to be responsive to the needs of people in the 1990s. She worked swiftly and acted decisively in the interests of Canadians who were vulnerable to the changing employment patterns.

On November 6, 1989 this House passed Bill C–21, and it did so in plenty of time for its benefits to begin flowing during the depths of winter when traditionally those benefits are needed the most.

What happened? Did the unemployed receive their benefits when they needed them most in the depths of winter when things were tough? I wish I could say that was true, but sadly I must report that the answer is no and it seems that the answer is no because some Liberal members in the other place decided to make a mockery of the democratic process and delay the bill to embarrass, harass and intimidate this government.

At any rate this is certainly the perception and regrettably the facts surrounding the circumstances testify to the idea that that perception is indeed true.

We were told by the people in the other place that they were setting up a special committee to hear from Canadians who had not testified before the government's legislative committee. Apparently these are going to be brand new people with brand new ideas, but what happened? We learned that the special committee consulted 54 witnesses whose views had already been made known to the House legislative committee.

What was the point of that? Why go through the exercise, not to mention the expense of hearing all those witnesses? Why do this if the Senate was really committed and really interested in hearing this testimony and hoping to find something of value in it? It was on the record already and they could simply have gone through the records. Added to this the 54 people in question were well–known opponents of the government's bill. They certainly were not experts on unemployment insurance management and they were not experts on the topic of re–employment strategy, so what was the point?

As the minister pointed out when she met the committee a short time later, the records show that these efforts did not identify a single issue of any substance in the bill.

Mr. Speaker: The hon. member will have 15 minutes left in her debate when we come back after question period.

It being one o'clock, I do now leave the chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL GALLERY OF CANADA

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the recent decision by the National Gallery of Canada to spend $1.8 million—nearly two–thirds of the Gallery's $3 million annual acquisition budget—to purchase a canvas by an American painter has left Canadian artists somewhat disenchanted and greatly discouraged. Canadian people in general are wondering.

With everything that has traditionally drawn Canada together, such as VIA Rail, the CBC, and language tolerance, being under great strain, would it not have been an appropriate time for an institution of national cultural expression to have promoted the works of Canadian artists? Would the government give Canadians some assurance that it will intercede in this ill–timed purchase and stop payment on the $1.8 million cheque, if that is necessary?

* * *

[*Translation*]

TRIBUTE TO PETER STASTNY

Mr. Marcel R. Tremblay (Québec–Est): A few days ago, Mr. Speaker, a major event occurred in the area of professional sports which resulted in Quebecers being separated, temporarily I hope, from a great Canadian, a great Quebecer and a great star.

Mr. Peter Stastny, this highly skillful hockey player, has dominated his sport for nearly 10 years and has been recognized as one of the greatest in the world.

Today, on behalf of the people of the Greater Quebec City area, I wish to thank this exemplary athlete for the

great times we had because of him. I also wish to emphasize his qualities as a dedicated man and a good citizen who spent much time and energy representing several charitable organizations.

As soon as he arrived in this country, he made up his mind that he would learn French and English, both languages he now speaks fluently. Mr. Stastny realized what a great many politicians and former politicians are unwilling or fail to understand, namely, Quebec's special identity within Canada.

I salute this remarkable citizen and wish him, on behalf of the people of Quebec and the rest of Canada, many more years of tremendous success.

* * *

[*English*]

REPUBLIC OF HAITI

Mr. Peter L. McCreath (South Shore): Mr. Speaker, today a new president takes office in the Republic of Haiti, the fifth in four years. Not only must we wish her well, we must urge and support her in any efforts to bring democratic elections and government to a country whose government has been at best anarchic for the past four years.

Last week, as a private citizen, I visited Haiti. It is a beautiful country populated by warm and hospitable people. It is a country that shows what absence of effective government can mean: inadequate services and infrastructure, roads in a state of utter disrepair, high prices, under-utilized though relatively abundant resources, and excessive dependence on imports.

Canadians have natural cultural and democratic ties with the people of Haiti. Today, our Haitian friends very much need our help and our support.

Canada must send a clear sign that it is prepared to support the development of democratic government in Haiti and to support and encourage it tangibly with an indication of our willingness to restore bilateral agreement aid as soon as the new government demonstrates its commitment to democracy through tangible action.

* * *

CANADIAN VETERANS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the recent budget chose as one of its targets our Canadian veterans. The government has cut $35 million to a group of Canadians who have already paid their dues.

As a result of the budget thousands of our veterans will pay more than $3,000 each for lodging. This is a result of the government's update of board and lodging charges for veterans in long-term care.

Cuts to the Veterans Independence Program mean that thousands of veterans who are still living at home will lose assistance for heavy housecleaning.

It is ironic that when Canada needed the service of brave and courageous Canadians our veterans were there. Now, when our veterans need the services of the Canadian government, it turns around and cuts assistance to them.

Remembrance Day is the day that we pay respect to those who died in battle and for those who will always bear the scars of wartime. We wear the poppy as a symbol of remembrance, respect and endless thanks for our veterans. Given the recent cuts to our veterans the Minister of Finance does not deserve the right to wear a poppy on Remembrance Day when he so quickly forgets what it really means.

* * *

CHILE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, this past Sunday marked an historic occasion in Chile as an elected civilian government headed by President Patricio Aylwin took over power from the military dictatorship of General Augusto Pinochet. The Pinochet government came to power in 1973 as a result of a violent coup overthrowing and murdering President Salvador Allende. For the past 16 years the Chilean people have been subjected to the murder, torture and jailing of thousands of Chileans at the hands of the dictatorship.

With this change in government the brutality and abuses of the Pinochet regime are hopefully at an end. Already we see the fruits of liberalization as President Aylwin has granted pardon to prisoners of conscience and pledged to dismantle the repressive elements of Pinochet's rule.

Events in Chile also further the trend towards democracy in Latin America, a trend that will not be complete, however, until we can be assured that the military men

of these new democracies are truly under civilian control.

I am sure all Canadians join together in congratulating the Aylwin government upon assuming power. We must lend it our support as it works to stabilize the democratic process and to control the military still led by General Pinochet.

This can be done, in part, by contributing to the new social solidarity fund established by the government, designed to support the poorest in Chile and provide essential health, education and housing needs. The Canadian government should consider such a contribution.

* * *

TAX REFORM

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, all three parties and most Canadians agree that the federal manufacturers' sales tax is a bad tax that has to go.

Indeed, some two years ago the all-party Commons finance committee recommended a multi-stage sales tax to be imposed on the broadest possible base. Yet today those in opposition are falling all over each other in their lust to be seen as the party most against the GST.

Canadians want more than criticism. They want choices. Canadians are asking: Where do the opposition parties stand? What alternatives do they have?

The Liberals want to study the matter some more. Forty years of study is not enough for them. In opposition, just as in government, they cannot take a decision.

Procrastination is not an alternative. Keeping the old FMST is not good enough. It is time to go forward with the GST as the only practicable, workable sales tax reform for Canada.

* * *

GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, in 1984, the Mulroney government collected about $8 billion from Canadians with the manufacturers' sales tax. In 1991, if the goods and services tax replaces the manufacturers' sales tax, the government will collect not $8 billion, not $18 billion, but $23 billion on this tax alone—three times the amount collected in 1984 when this Tory government came to power.

The GST is the largest tax grab in Canadian history. The people of Canada realize this. Seventy-one per cent of Canadians are opposed to the GST, and still this government insists on implementing this unfair regressive tax. When will this government listen?

The Liberal party will not turn its back on the people of Canada. The Liberal party wants the voices of Canadians to be heard. This week throughout the country Canadians can dial 1-900-720-6052 to register their opposition to the goods and services tax.

The people of Canada will not sit idly by while the over consumption of this government shrinks the pocket books of all Canadians. Canadians from east to west will dial 1-900-720-6052 and register their "No" vote for the goods and services tax.

Scrap the tax. Dial 1-900-720-6052.

* * *

[*Translation*]

TRIBUTE TO GÉRALDINE DOUCET

Mr. Guy Saint-Julien (Abitibi): For many people, Mr. Speaker, Mrs. Géraldine Doucet is the kind of person who is always involved in a great number of activities such as the Jerry Lewis Telethon as well as the Cystic Fibrosis Foundation and Canadian Cancer Society fund raising campaigns.

Because of her participation in Quebec's entertainment industry and her involvement in various voluntary organizations such as Big Brothers and Big Sisters, she was recently appointed president of the Quebec Canada Day Committee.

Mr. Speaker, I know that Mrs. Doucet has all the necessary qualities and a solid experience of community involvement, and which in my opinion make her the ideal choice. I extend my congratulations to Mrs. Doucet and I wish her well.

* * *

[*English*]

CROP INSURANCE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, the Deputy Prime Minister and the Premier of Saskatchewan today announced that Saskatchewan farmers who participated in crop insurance will receive an additional $58 million in mid-April. The payment is the result of the multi-year disaster benefit program. The

program provides cash to areas of Saskatchewan that have suffered two consecutive crop failures. This is an important part of the farm safety net program that will provide money to farmers when they need it most.

• (1410)

Over 12,000 farmers will receive an average of close to $5,000 each. This is an important first step in ensuring that Saskatchewan farmers can get this year's crop in the ground.

On behalf of our members of Parliament and farm related business in Saskatchewan, I congratulate our Deputy Prime Minister and the Premier of Saskatchewan for concluding the details of this much needed program.

* * *

GOODS AND SERVICES TAX

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, the arrogance of the Mulroney government is absolutely astounding. While it is telling Canadians they must do their part to fight the deficit, this government is spending $111 million to sell a regressive, merciless tax on a population that does not want it. This tax, after 31 other increases, is the largest tax grab in the history of Canada.

The Liberal party is giving Canadians a chance to be counted in the fight against the GST. This is anti-GST week. Canadians can register their disapproval by picking up the phone and calling 1-900-720-6052. That registers their "No" vote to the GST.

Yesterday, the finance committee chairman stated that this electronic petition means nothing. That is yet another example of this government's arrogance. Every Canadian voice should be heard

For my colleague over here who wants to know the number so that he can also call, it is 1-900-720-6052 to say "No" to the GST.

S. O. 31

REPUBLIC OF SOUTH KOREA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, on March 3, 1990, the defence ministry of the Republic of South Korea announced that a joint Korea-United States team of engineers had discovered a fourth infiltration tunnel constructed by the North Koreans to serve as a potential means of mounting a surprise military invasion of the south by passing underneath the demilitarized zone.

Unlike the other three tunnels found in the western and central areas of the front line in 1974, 1975 and 1978, the recently discovered tunnel is located in the mountainous eastern portion of the demilitarized zone, 105 kilometres northeast of Seoul.

It was regrettable to hear of this particular discovery because of the current global *détente* between east and west. Tension on the Korean Peninsula can only be heightened by such clear indications of unabated aggression and militance on the part of the North Koreans.

* * *

ELECTORAL EXPENSES

Mr. Rod Murphy (Churchill): Mr. Speaker, as the Royal Commission on Electoral Reform and Party Financing will be discovering during its cross country hearings, the issue of third party expenditures during an election period must be confronted.

This clause in the Canada Elections Act is not enforced today because of an Alberta Court of Queen's Bench ruling in 1984. Yet a similar Quebec ruling went in the exact opposite direction as that of the Alberta case.

The former Chief Electoral Officer of Canada has urged the commission to deal with what he refers to as the phenomenon of advertising by special interest groups. Although there was relatively little involvement by single issue groups in the 1984 campaign, their impact and activity in the 1988 campaign was extensive and profound. As much as $4 million is thought to have been spent promoting free trade. This amount is two-thirds of what a federal party can spend on all expenses during that same campaign period.

While the legitimate political process of the political parties is regulated by the Canada Elections Act, well-funded advocacy groups are free to promote and oppose candidates and registered parties without restriction or limitation.

The House of Commons should demand that the government refer the present Section 70.1 of the Canada Elections Act to the Supreme Court of Canada for a ruling as to its force and effect under the Charter.

* * *

LIBERAL PARTY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Canadians shopping around for a position to take on any issue can enter the Liberal party supermarket. There you can find every position taken on every issue. All you have to do is shop around.

On free trade, walk down one aisle and you will find the member for Winnipeg South saying he will rip up the free trade deal if the Liberals come to power. Walk down another aisle and you hear the member for Etobicoke North saying the trade deal is not such a bad deal after all.

Are you looking for a position on the GST? The Liberal party supermarket is offering all sorts of positions. Some members stand up in the supermarket and tell Canadians that they have a position on the GST. If you call a certain number they will give a scrap-the-tax position.

The Liberal party caters to all customers. Jean Chrétien in one aisle says he is not sure what he would do about the GST. Walk down another aisle and you will find leadership hopeful, Tom Wappel, saying that he would keep the GST.

Telemarketing has become a booming business in this country. All Canadians should do their shopping on the GST by phone. They should call the Leader of the Opposition, known as Herbie the Grocer, at 613-996-5084, to find out what positions on the GST the Liberal party is offering today.

At the Liberal party supermarket the motto is: We aim to please. We never say no to anyone.

ORAL QUESTION PERIOD

[*English*]

SCIENCE AND TECHNOLOGY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. Yesterday, as we all know, he received the Weizmann Award in the Science and Humanities.

Some hon. members: Hear, hear!

Mr. Gray (Windsor West): I want to ask the Prime Minister if he will demonstrate today that the award in question and the applause he just received is justified by moving immediately to double R and D spending in Canada, as he promised before he was elected but which he has not achieved in spite of being in office for five years. Will he keep his promise?

Some hon. members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the leaders of the Israeli Government who were there last evening, and all the distinguished leaders of the Jewish community in Canada who were present, expressed absolute astonishment at the action of the opposition for not recognizing, which they all recognized, the tremendous work being done by the Government of Canada to advance the cause of science.

Some hon. members: Hear, hear!

Mr. Mulroney: Mr. Speaker, I do not know why the opposition members are all so offended by the fact that I was given this award. Mr. Pearson was given the award, as were Margaret Thatcher, Jacques Chirac and Danny Kaye.

Mr. Fontana: You're a song and dance man, too.

Mr. Mulroney: In point of fact, total federal spending on science and technology, including research and development, will be about $5.1 billion this year, compared to $4.1 billion when we came into office in 1984.

There has been an increase of some 20 per cent since this government was sworn in. About 90 per cent of all the government funded research and development that is done in the Province of Ontario is paid by the federal government. There is, as well, the fact that Canada has the most attractive R and D incentives—as brought

forward by the Minister of Finance—with the exception of Australia.

That is why we are going to continue to make very substantial progress in leading in world-class ventures in the field of science and technology.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, it is not clear whether the Prime Minister got the award for emulating Mike Pearson or Danny Kaye.

Some hon. members: Oh, Oh!

Mr. Gray (Windsor West): Yesterday, Gerhardt Hertzberg, a world famous Canadian scientist who received the Nobel Prize after he heard the Prime Minister had received the Weizmann Award said:

> I don't think the Prime Minister could expect to get an award for his contribution to science and technology in Canada.
>
> Sweden, The Netherlands, the United States, West Germany; all these countries spend just about twice as much as Canada does on research and development.

That is what Mr. Hertzberg says. I think he knows as much about research and development in Canada as does anybody else in this country.

• (1420)

Why will the Prime Minister not live up to his promise to ensure that Canada spends at least 2.5 per cent of its economy on research and development? Why will he not keep a promise that he himself said was necessary for the future competitiveness of this country? It is time the Prime Minister kept his promise.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not going to quarrel with the remarks of my hon. friend. He would be happy to know that the President of the Weizmann Institute, one of the leading nuclear physicists in the entire world who heads up one of the finest and most outstanding research centres in the world, said last night that as Prime Minister of Canada he could think of no one more deserving of this particular award than your humble servant.

Some hon. members: Oh, oh!

Mr. Mulroney: I know it breaks the hearts of the Grits to see a Conservative receive international recognition, but that is just starting.

Some hon. members: Hear, hear!

Mr. Mulroney: I had the honour of creating the National Advisory Board on Science and Technology which I have the pleasure of chairing, the first Prime Minister in Canada to do this.

I had the honour of establishing the Canada Scholarships Program, with $80 million over five years which will provide 10,000 young Canadians with full scholarships in science and technology.

I had the pleasure of bringing forward the Centres of Excellence program which puts $240 million into establishing 14 new Centres of Excellence at Canadian universities across the country.

We have increased research and development very substantially since 1984. The problem is that the Liberals were so disgraceful in their neglect of science and technology that the Leader of the Opposition should never rise in his seat again.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, it is obvious why the Prime Minister is seeking international recognition. He knows that outside Canada they do not take public opinion polls showing how badly his government and himself are doing in this country.

[*Translation*]

Mr. Speaker, if the Prime Minister is so determined to keep his commitments to science and technology, why did his finance minister cut $39 million from the funds for science and technology over the next five years? Why does the Prime Minister not make a commitment today to restore this funding and to stop threatening the future of our economy? Why?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am delighted to let the Liberals lead in the polls for three years. We will lead on election night.

Some hon. members: Hear, hear!

Mr. Mulroney: Even the NDP is breathing down their necks, and that is going a long way.

[*Translation*]

Mr. Speaker, it is pitiful to see the Liberals denigrate the Canadian government's efforts in science and technology, when we established the National Advisory Council on Science and Technology, when we increased the federal government's contribution to this important area by 20 per cent, when we raised the national resources spent on science and technology from $4.1 to $5.1 billion in the last five years, when we started the networks of centres of excellence for science and technology, and more scholarships in this area

for 10,000 young students throughout Canada. It is true that we have done all this, but we still have a long way to go. It is true that Canada has been lagging behind for 25 years in what it should contribute to this critical area of our national life. It is true that we had an enormous task, but you must start to admit that we have taken important steps to promote research and development in Canada, something absolutely historic.

Let me explain: When Bill C-22, which would have resulted in $700 million of spending in Montreal for pharmaceutical research and created 3,000 jobs, was before the House, the Liberals were against it and their friends in the Senate blocked it! You are against research and development, you are against science and technology!

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, yesterday, the Minister for Science in reply to my questions refused to accept the assessment made by the National Consortium of Educational and Scientific Societies that science research and education in Canada are in a precarious situation. Just a minute ago the Prime Minister also appeared to reject this assessment.

This morning, the Fields Institute for Research in Mathematics, appearing before the committee on science and technology, confirmed the assessment made by the national consortium.

Who can best assess the state of science research and education in Canada, the scientists and science teachers who are in the forefront of practice or the Minister for Science and the Prime Minister who ignore the recommendations of their own Canadian National Advisory Board on Science and Technology?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I do not think this Prime Minister has ignored the recommendations of that board. It was that board which recommended to the Prime Minister the Canada Scholarship program. It was that board which recommended to the Prime Minister the Centres of Excellence program, and we can go on.

Some hon. members: Go on!

Mr. Winegard: The Prime Minister works very closely with that particular board—

Some hon. members: Go on!

Mr. Winegard: They want me to go on, Mr. Speaker. All right, I will. There is the matching grant policy. It was that board which spoke about the new technologies, the strategic technologies—$200 million in strategic technologies.

Some hon. members: Hear, hear!

Mr. Winegard: As the Prime Minister said, there is no question but that we would all like to do more in terms of science and technology. The answer is the area you want to put it is in the industrial structure of this country. In many ways that structure is not ready to receive the kind of money that is needed, and you know it.

Mr. John Manley (Ottawa South): Mr. Speaker, yesterday when the Prime Minister was in Toronto receiving his award—and I must say I feel somewhat better about it knowing that he has it in common with Danny Kaye—he was linking environmental issues to research and development.

The same day we had two stunning revelations in Ottawa. First, that the President of the National Research Council is willing to gut that institution as a performer of basic research. Second, that the Minister for Science opposes the matching grants program.

Will the Prime Minister tell the House how Canada will ever become a world leader in environmental technologies when neither the NRC nor the universities are receiving the funding that they need in order to do basic research?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, no one has ever said that the National Research Council is not going to be involved in basic research.

What I hope it will do in its five-year plan is to concentrate that basic research in priority areas and to do even better than it has in the past. I want it to do the pre-competitive research that this country really needs. No organization is in a better position to do that than the National Research Council.

The NRC is one of the few organizations that can bring together the universities and industry to form the

kind of pre-competitive consortia that this country needs. NRC will do that. You will see more of it in its five-year plan.

* * *

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): I want to switch back to the GST, Mr. Speaker.

I want to ask the Minister of National Revenue why his government is already spending thousands of dollars placing ads in daily newspapers, with more to come, advertising for GST tax collectors when the GST is still before a committee of this House.

I want to know this from the Minister of National Revenue. Why spend these thousands of dollars asking for tax collectors when there is opposition coming from over 80 per cent of the Canadian people? There is opposition growing in the back-benches of the Conservative party. There is opposition from every single provincial government in this country.

Why does the government jump the gun and advertise for GST collectors when the bill has not passed the House?

• (1430)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I am surprised at that coming from this hon. member who has been here for so many years and should know better. It is parliamentary and legal precedent that any government has not only the right but the obligation to prepare for any major forthcoming changes which are proposed and planned by the government of the day.

That was confirmed by the Auditor General in his latest report, who recommended very strongly that the government speed up its preparation process.

Since I will be before the finance committee immediately following the Question Period, on this very subject, I would be very happy to answer any specific questions the hon. member may have in that committee.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to know from the Minister of National Revenue why it was wrong a few years ago when the Liberals did exactly the same thing. Why did that minister, when he sat in Opposition, criticize a government for doing this kind of advertising before a bill passed the House? I want to know that from the Minister of National Revenue. If it was wrong then, it is surely wrong now. Why advertise for thousands and thousands of tax collectors before a bill has even passed the finance committee? Why was it wrong then, if it is not wrong now?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the member who has just asked the question is a member of the committee which unanimously concluded, and I will read the quote from the committee report, "That if the government proceeds with the tax—" the GST, "—it establish a private-sector advisory committee to develop practical rules for the new tax and to publicize the details of the new tax and the relevant social policy transfers". That is a recommendation of the committee of which the hon. member was a part and certainly if we did otherwise, it would be irresponsible on the part of this government.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, five or six months ago, the government estimated administration costs for the GST would be about $200 million annually. However, in the Budget brought down by the Minister of Finance, the government's estimate is no longer an annual $200 million but $380 million. Why has the budget for administration costs almost doubled? Is it because the Government of Canada now intends to hire about 7,000 people to collect the tax instead of 4,000?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, since those figures were put out in the course of the budget, I would be quite happy to answer that. The $380 million is the bulge during the transition period. The amount on an ongoing basis will be of the order of $300 million, which is about 1.5 per cent of the total revenues that will be collected. That is at the low end of the range for industrialized countries which have this type of tax.

We will do everything we can to try to reduce the number of people who will be used to administer the GST. As the hon. member knows, we have entered into discussions with the provinces with a view of doing everything we can to reduce the number of people who will administer the tax. If we did not have the proper administration, the hon. member would be the first to

jump up on his feet to demand that we put in place the resources to provide that administration.

* * *

OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this government is paralysed on the matter of official languages. I want to direct a question of the President of the Treasury Board. It has been 20 months and an election since this House adopted Bill C-72, an act respecting official languages.

The President of the Treasury Board has promised many times in this House to come forth with these regulations. We know the public servants have done their jobs. The regulations are ready. Will the President of the Treasury Board give us an undertaking today that the regulations will be tabled in the House forthwith?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to tell my hon. colleague that the process that we are following is the process we outlined at the time that Bill C-72 was before this House. The regulations were prepared by officials, reviewed by the government and then there were extensive consultations throughout the country. Those consultations are still ongoing. As soon as the consultations are completed, we will be tabling the regulations in the House, as we have undertaken to do and are asked to do under Bill C-72.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have asked those groups that were consulted if the consultation was terminated. I am told they have terminated their comments on the regulations. So you are ready to go.

[*Translation*]

Mr. Speaker, this country is going through a difficult time as far as language is concerned. Today, racist groups are attacking official language minority groups. I want the government to understand that by doing nothing, it may be seen as a willing accomplice.

Mr. Mulroney: This is terrible!

Mr. Gauthier: And I want to ask the President of the Treasury Board to put some teeth in the legislation so that people in this country will know where we are headed with the Official Languages Act. Do something! Stop dragging your feet!

Mr. Blais: Don't tell us what to do!

Some hon. members: You did nothing for 20 years.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the hon. member for Ottawa—Vanier seems conveniently to forget the fact that for 19 years, his government did nothing to change the official languages legislation.

Mr. Mulroney: You did nothing.

An hon. member: It's true, you did nothing.

Mr. Gauthier: There is a major backlash today.

Mr. de Cotret: This government has not only changed the legislation, it will table the regulations in the House as soon as we have consulted all interested individuals and groups across this country.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Russell MacLellan (Cape Breton—The Sydneys): My question is directed to the Minister of Finance. All of the GST that corporations pay is refunded. Therefore a corporation that buys a sofa for an executive or calls in a plumber does not pay any GST at all. Yet a single parent, a senior citizen, or an unemployed person in Canada has to pay a 7 per cent GST. I want to know why the Minister of Finance thinks that is fair. Why is he taking $5 billion to $6 billion away from the corporations in taxation and putting it on the backs of the consumer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member's party is the first to stand up and say they want a visible tax. The hon. member is saying now to tax businesses on the things that they buy for their businesses, to bury that in the price of the tax and then apply another tax on top of that and another tax on top of that. That is precisely what the GST is designed to avoid.

When we say it is a 7 per cent tax, it is not an 8, 9, 10, 11, or 12 per cent tax. It is a 7 per cent tax. All the tax is credited out of the system so there is no hidden tax and there is no tax on tax. It is 7 per cent. That is what the consumer pays. It is very visible and up front, unlike the approach that the hon. member would like to follow.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, what the minister is saying then is that visibility can be an excuse to gouge the consumer.

Some hon. members: Oh, oh!

Mr. Mulroney: Come on Russ, you can do better than that.

Mr. MacLellan: The consumer has to pay the GST for the most expensive furniture an executive could have but for a place for a family to sit they have to pay 7 per cent GST. I want to know why the minister thinks that is fair. Why is he gouging the consumer to supplement the increased profits of the corporations?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what my friend opposite is saying is hide it and then gouge the consumer. That is the approach the Liberal party would follow. Let me take my colleague through the basis on which this tax is levied one more time. I will do it slowly for him.

The taxes levied today in the federal sales tax are paid by every consumer in this country. However, the consumer has absolutely no idea how much sales tax is in the price of a pad, in the price of a pen, in the price of food, but it is in the price of everything that we buy today.

With the GST we are recognizing that a consumption tax is paid by the consumer. We believe that the consumption tax paid by the consumer should be paid up front and be very visible. That is why all tax on business inputs on the costs of production is credited out so that the consumer only pays 7 per cent and not some multiple of 7 per cent which is the case under the existing tax.

* * *

• (1440)

[*Translation*]

INDUSTRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology. Again a major Canadian company—Federal Pioneer is a leading electrical equipment manufacturer—is to be sold to a foreign multinational.

[*English*]

This comes on top of such take-overs this past year as Consolidated Bathurst, Mitel, Connaught, Consumers' Gas last week, and now Federal Pioneer.

Is the minister prepared to take action now to safeguard Canadian industrial independence. Is he prepared to establish a national industrial bank which will see to it that funds are available here in Canada to help keep Canadian firms Canadian.

[*Translation*]

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, the government I represent never did hide its interest in foreign investments and we are not about to clamp down on them if they do not serve the interests of Canada. We do have an agency called Investment Canada in which I have full confidence and whose responsibility it is to control foreign investment, in keeping with the interest of our country. For five years now Investment Canada has been doing that very efficiently and I do not see the need to set up yet another agency. Mr. Speaker, the existing procedure is good and we will continue to monitor the situation, just as we have done in the past.

* * *

[*English*]

CANADIAN SOVEREIGNTY

Mr. John Brewin (Victoria): Mr. Speaker, my question is directed to the Prime Minister. There is an important group in town from British Columbia to try to encourage the government to reconsider its decision on the *Polar 8*, a decision which is in breach of the solemn commitment which the Prime Minister gave to the people of British Columbia and to Canada during the election campaign.

Will the Prime Minister assure the House, given his personal commitment, that he will in fact direct a reconsideration of this decision, or will he stand in this House and explain to the people of Canada what alternative the government has in mind to protect our sovereignty in the Arctic, to open the north and to ensure that the people of British Columbia get their fair share of jobs in the shipbuilding industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the decision to act as we did in the budget with respect to the *Polar 8* ice-breaker was one which was reached after great difficulty by the Government of Canada. We looked at a number of factors. One

of those factors, of course, was that there had been a very substantial escalation in the cost estimates of the *Polar 8*. I see the hon. member shaking his head as if he dismisses those. Unfortunately, one cannot dismiss those realities. That was a factor of which we had to take account.

Second, there are a range of other devices available to us in our north that can help us assert and assure Canadian sovereignty.

Finally, as the hon. member will know that in the period since the decision was announced to go forward with the *Polar 8* there has been a very important agreement between Canada and the United States by which the United States is required, and has indicated that it accepts, the requirement to seek the prior consent of Canada before any of its vessels traverse the Northwest Passage.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to follow through with the Secretary of State on that same line of questioning.

Back in 1987 he stated in the House that the decision to build the ice-breaker is a clear sign to the world of our firm resolve to exercise our sovereignty in the Arctic. Can we now conclude the decision not to build the ice-breaker is a clear indication to the world that we are no longer interested in exercising our sovereignty in our Arctic?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for years there was in this country a government that was not interested in asserting the sovereign claims of Canada in the north, and the member for Winnipeg South Centre was a minister in that government.

Some hon. members: Oh, oh!

Mr. Clark (Yellowhead): He will know that Liberal governments refused to agree that we had enough confidence in our claims to submit ourselves to the jurisdiction of the International Court. He knows that the Liberal government refused time after time to establish the baselines that would establish clearly the jurisdiction of Canada in the north.

He knows that because of a dislike of the Americans that sometimes becomes, in his case, almost pathological, his government backed away from the kind of practical agreement that has assured Canadian sovereignty in the north and has yielded a situation in which the United States now seeks the prior consent of Canada before any voyage to traverse the Northwest Passage.

Some hon. members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the only person in this House who is pathological is the minister, who refuses to recognize when he has made a serious mistake.

Is it not this government, not Liberals, that decided to cancel the ice-breaker? Is it not this minister who said the ice-breaker is essential to our sovereignty? We simply want to know. You cancelled the ice-breaker, you have no other policy, what are you going to do to defend our sovereignty that you think is so important?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I have indicated, what we have done is first, our actions with regard to the International Court; second, with regard to the establishment of baselines; third, with regard to the establishment in the north of aircraft and other surveillance features; fourth, by the conclusion of an agreement with the United States by which for the first time in history the Americans agree that they must—

An hon. member: Notify you.

Mr. Clark (Yellowhead): No, not notify; they must seek the prior consent of this sovereign country before their nation traverses the Northwest Passage.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of the Honourable Stanley Hagen, Minister responsible for Regional and Economic Development of the province of British Columbia.

Some hon. members: Hear, hear!

* * *

STATUS OF WOMEN

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is directed to the minister responsible for the status of women.

When meeting today with the Canadian Advisory Council for the Status of Women representatives at its conference, the minister said, "I will fight for what the women of this country need and want". Will the minister outline to this House and to the women of Canada specifically what she intends to do to fight for women? Will she fight to reverse the budget cuts to women's programs? Will she fight for a safe, affordable national child care program? Will she fight against Bill C–43 and the recriminalization of abortion?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I am sorry but perhaps if the hon. member had attended the session this morning she would have heard some of the proposals which I put forward and some of the issues that I believe are important to help ensure the attainment of economic equality and social justice for all women in Canada.

Those are the issues that we have started to work on; family violence, working family responsibilities, and working toward a child care program with my colleagues. All of these are initiatives building on the record of this government to ensure that we achieve those objectives.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, this hon. member did not have to be there to know that the women of Canada heckled the minister this morning because of her refusal to respond about the very programs that she outlined, and to respond to the kinds of questions that I am putting in the House.

The minister said this morning that we would have to learn to treat each other with respect. Does she not agree that respect is earned and that she is likely to receive the same kind of respect she gives the women of Canada when she steps out in front and starts leading the fight for their programs?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I did say it is important that we all learn to respect each other in this House of Commons, and as we work on the very difficult issues that we are facing in this country, dealing with the issues of the deficit and at the same time working toward building programs for economic equality and social justice for women.

• (1450)

Those are the programs I will be working on, in co–operation with my colleagues, conveying the concerns and listening to the concerns right across the country so that we can fully understand what those concerns are as we develop our policies and programs to meet the needs of the women of the country.

* * *

GOVERNMENT FUNDING

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is directed to the Minister of Finance. In 1982, the current Minister of Finance said that the reductions to federal funding of health and education, "could have disastrous effects on the universities and on the colleges, on hospital funding and on the operation of the hospitals." He added: "Let us solve these problems not on the backs of the hospitals and universities. Let us solve those problems outside of that arena." When and why did the Minister of Finance reverse his position?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not believe that I have reversed my position. We have seen a number of things change since 1982. One of those was a substantial deficit and debt problem which we inherited in 1984 that we must work very hard to get under control. Part of getting that problem under control is working with the provinces to get the debt down.

The transfers to the provinces in this coming year will be $34 billion. That is equivalent to about one–third of program spending of the government of Canada. We have asked the provinces to be about a one–third part of the expenditure control program. Program spending of the government of Canada will increase 3 per cent next year. These transfers to the provinces will also increase by 3 per cent on average this year.

I believe that in a fair and upfront way we have told the provinces to be part of this program. It is a national problem. We all have to participate in getting that national problem under control.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): My supplementary is directed to the Prime Minister. Last week he said that education and health expenditures have gone up considerably. This increase is almost entirely due to tax

point transfers made ten years ago. Cash payments have gone up only 2 per cent a year since 1985.

Will the Prime Minister finally tell us just what is going on.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is displaying quite an unsettling ignorance of what the facts are.

Some hon. members: Oh, oh!

Mr. Duhamel: Listen! I told you we could debate that any time. You don't know what you are talking about.

Mr. Wilson (Etobicoke Centre): The transfers to the provinces—

Mr. Duhamel: Chicken! Big chicken! Why don't you come and debate like a man?

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps the minister could answer the question.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, when we arrive in the House our skins sometimes get a little thicker than the hon. member's skin has.

Mr. Duhamel: If you knew what you were talking about—

Mr. Speaker: Perhaps the minister could answer the question.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the transfers to the provinces come in two ways: one is a transfer of tax points and the other is a cash transfer. The tax points and cash transfer are equally important to the provinces because in an equal way they provide cash to the provinces. The provinces can then spend the money on whatever they want to spend it on. Those transfers have increased by about $25 billion over the last five years and they will continue to increase into the future.

As I indicated in my first answer, the government of Canada has a serious financial problem. We are increasing the transfer by 3 per cent. It is a reduction in the rate of growth in the transfer to help with the deficit problem, but as I indicated, I do not believe that we have asked the provinces to accept in any way a greater burden than we have been prepared to accept ourselves as the government of Canada.

* * *

UNEMPLOYMENT INSURANCE

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, my question is for the Minister of Employment. Yesterday, Canada's largest trade unions came to Ottawa to express their strong disagreement with Bill C–21, the government's bill to cut the unemployment insurance program. Well in advance they had asked to meet the minister and members of the Conservative caucus but this request was refused.

Would the minister explain to this House and to the Canadian people why neither she nor any member of the Conservative caucus would meet with these representatives of millions of Canadian workers on a matter that seriously affects our income security. Would she explain that?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is important for the hon. member to remember that over the past year this bill has been studied by both a committee of this House and a committee of the Senate.

Among the presentations to those committees, and particularly to the House of Commons committee, was a number by representatives of different unions, most of them affiliated. In many cases the same representation was heard any number of times.

I have been in correspondence with a number of unions, as with other Canadians, and I would like to point out to the hon. member that the information that we have, and according to some of the surveys that we have done across Canada, a majority of Canadians approve of what we are doing with this bill. I would suggest to the hon. member that he help us get on with it.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, here we have a bill which cuts $1.3 billion from the unemployment insurance benefit fund and the government has no mandate to proceed. This was not part of their platform at the last election.

Some hon. members: Oh, oh!

Mr. Mulroney: We got elected, Warren, just in case you are wondering.

Mr. Allmand: As a matter of fact, during the—

Mr. Speaker: Given the time, I would ask the hon. member to put his question.

Mr. Allmand: They did not make this part of their platform during the last election—

Mr. Mulroney: What about the mandate for the Liberal Senators?

Some hon. members: Time.

Mr. Allmand: —when, by the way, they only got 48 per cent of the vote.

Some hon. members: Oh, oh!

Mr. Speaker: I have asked the hon. member to put his question.

Mr. Allmand: Now they are in third place at 19 per cent in the polls—

Mr. Speaker: The hon. member for Ottawa West.

Some hon. members: Hear, hear!

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment. The federal Court of Appeal has just handed down its decision on the Old Man River dam in Alberta. The court has ruled that the federal government must subject the project to the Environmental Assessment Review process and that construction of the dam must cease.

Will the minister undertake to immediately launch a full environmental assessment and will he assure the House that construction will stop immediately?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I heard that the judgment had been delivered just at noon today, so I have not had time to read it. The lawyers are currently reviewing the judgment. I will be provided with recommendations and will be pleased to make a decision at the appropriate time.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am not sure why the minister would not commit himself immediately to respect and to implement the judgment of the court.

Some hon. members: Hear, hear!

Mrs. Catterall: What is really disturbing is that once again the courts have had to step in to protect the environment and to remind the government and the minister what its responsibilities are for the environment of this country. When will the minister start doing his job and stop waiting to be told to do it by the courts?

Some hon. members: Hear, hear!

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, when you become a minister there are a few things to learn. One of them is to read the commitments before making them.

Some hon. members: Hear, hear!

* * *

[*Translation*]

SPORTS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of State (Youth) and Minister of State (Fitness and Amateur Sport). Many national sporting organizations receive approximately $64 million from the Canadian government and have a dual vocation, namely, recreation and competition. Could the Minister confirm today that all these Canadian organizations will be able to function in both official languages, whatever the city holding these competitions which are financed in part by the Canadian government?

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House): Mr. Speaker, as a matter of fact my department has a bilingualism program and we constantly work closely with the organizing committees of major national and international events. The purpose of this program is to provide bilingual services to various games, such as the Commonwealth Games which will be held in Victoria in 1994, the Arctic Games which are taking place this very week, the Canada Games 1991 on Prince Edward Island, and the Canada Games 1993 in Kamloops. I should like to tell my hon. friends that the bilingual services provided during the Canada Games 1989 in Saskatoon have been rated by the press as outstanding.

I thank the hon. member for Abitibi for the interest he is showing in the cause of bilingualism in this country.

GOVERNMENT ORDERS

• (1500)

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND—NON-CONCURRENCE IN SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Andre in relation to the amendments made by the Senate to Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act; and on the amendment of Mr. Gauthier (p.9099).

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock the hon. member for Winnipeg South had the floor.

Mr. Murphy: Mr. Speaker, I rise on a point of order. With regard to the debate on the motion before the House, I believe that the position should have been given to the New Democratic Party before the lunch break.

The Acting Speaker (Mr. Paproski): That has now been arranged. We will make sure that the NDP get their right position. Right now the hon. member for Winnipeg South has the floor for another 15 minutes, then we will go to the NDP.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad to rise again to complete the remarks that I began before the break.

When we broke for lunch I was pointing out that, as the minister pointed out when she met with the committee, the records show that the efforts of the members from the other place who interviewed some 54 representatives of various groups and organizations, who had already made representations to the House committee, did not identify one single new issue of substance.

It is very difficult to understand why they went through this exercise in the first place. I would have to say that we can only conclude from this that there was a determined and premeditated plan to delay the bill so as to frustrate the government. I cannot think of any other explanation.

This House passed the bill on November 6, 1989. The Senate special committee then waited a whole three weeks, 21 days, before even bothering to convene its first meeting. Another 10 weeks passed before the report was presented in mid-February. That is more than three months after the bill was passed by the duly elected representatives of this House. Another 10 weeks delay, and for what?

The bill was tabled in the House in April 1989 by the hon. minister. That is almost a full year ago. Surely it is unacceptable to the people of Canada to have the government that they chose with such a resounding majority so frustrated. What possible excuse can there be for these constant delays of government business by a non-elected body? I think it is unforgivable.

Canadians have been led to understand that the venerable upper House was put in place and charged with, among other things, the weighty responsibility to provide some kind of a safety valve in the event that some harmful or pernicious legislation somehow slipped passed the hon. members of this House. In the past, senators were chosen for a whole number of reasons. They were chosen for their wisdom, they were chosen for their experience and they were chosen for their ability to accept the great burden of trust that was placed on them.

They were chosen for these things in case, in some unpredictable way, the pillars of democracy be threatened for a moment or two. The senators were put in place to ensure that there was a safety valve. But senators were not to view themselves as legislators. They were never appointed to act as legislators. That duty is vested in the elected members of this House alone. We are the ones who make the legislation.

It seems to me that even my colleagues opposite would want to understand and appreciate that that concept is at the very heart of the democratic system that we have in place in this country. This is exactly what they are going through in the East Bloc countries right now. They are searching for opportunities to let the people speak, to let the people say what they want.

In Canada, we have been doing that for 120 odd years. The people have been speaking and when they spoke in 1988 they said they wanted the Progressive Conservative party to lead this country into the 21st century. That means that they endorse our policies, the policies of the Minister of Employment and Immigration, and they do

not want those policies frustrated by a body which is not elected.

Senators were appointed as guardians of the trust, that special and sacred bond that exists between those who are elected to govern and those subjecting themselves to be governed. Shockingly, what we appear to see today is the denial of that trust by some Liberal members of the other House who appear more interested in making political points than in tending to their weighty responsibilities. There is striking evidence to back up this shocking denial of trust about which I have been speaking.

One of the amendments would create a tangle of legal conditions around the government's annual developmental plan for the system. We are willing to accept these amendments. We are willing to accept this, but the government is not prepared to accept the fact—and I know you are going to have a difficult time believing this, Mr. Speaker—that the Senate actually wants the power to approve or reject that plan. Can you believe that?

I would like to read that amendment because it is a striking example of what is contained in this plan. It reads:

> If, within 10 sitting days after the day on which the plan is laid before either House of Parliament, a notice is given in either House of a motion to the effect that the plan is unacceptable signed by not less than 15 members of the Senate, in case of a notice given in the Senate, and by not less than 30 members of the House of Commons, in the case of a notice given in that House, and the question on the motion itself is not decided within 10 sitting days after the notice was given, the plan shall, upon the expiry of that period of 10 days, be deemed to have been rejected.

Mr. Milliken: What's wrong with that?

Mrs. Dobbie: My hon. friend asks what is wrong with that. My hon. friend surely would agree with me that no Parliament would ever seriously consider giving such a new power to the Senate. To do something like that would be to deny the responsibility, the authority, the trust that was vested in us as elected members of this House by the Canadian people.

My hon. friend surely does not want to deny his responsibilities as an elected member of this House any more than do any of the government members. I cannot believe that Parliament would ever seriously consider giving the Senate such a new power.

• (1510)

I am not going to go into detail on every single recommended amendment, but there are one or two more that Canadians really should be aware of so they can get a clear understanding of just exactly what is going on here.

In one amendment the Liberal senators would reverse a decision of this House, a decision taken here in this House by the elected members of the people. This decision was that unemployment insurance costs would be paid for by those who stand to benefit. Surely that is a sensible thing. Those who stand to benefit are the workers and their employers. But the senators would have these premiums reduced and let the shortfall come out of general revenues, the taxpayers' pockets, which would contribute more to the deficit.

If we were to accept the entire range of amendments that have been proposed, it would raise our deficit by $1.6 billion. What are the senators thinking of? Do they not know how hard it is to raise $1.6 billion? If the senators have forgotten about this, I can say that the people of Canada have not. They know how tough it is to raise $1.6 billion. To accept these irresponsible changes would be to put a burden on everyday working people which is unfair, unwarranted and certainly irresponsible, as I said.

Another of the amendments would cut back on the basic principles behind this bill by relaxing penalties for people who quit their jobs without just cause or for those who are fired for misconduct. The Liberal senators want to change this decision. They would like to send a signal to people that it is all right to quit their jobs, it is all right to live off the public purse.

The people of Canada are not saying that to us. They are saying that they do not want welfare, they want work and they do not want people living off the system when they can work. If people voluntarily quit their jobs or get fired for cause, I think most people would agree that it is quite right that they be penalized in some way.

In view of these facts we really must ask ourselves why these constant delays and threats of delays are happening and what they are all about. Why was Bill C-21 held up for three months by the Senate? Was it because the senators had concerns for the welfare of Canadians? Was it because the House has acted without due consideration of the bill or with a lack of responsibility? Indeed, was it to protect the interests of democracy, perhaps?

Sadly, the evidence does not bear this out. It does not support any of these contentions.

Instead, unfortunately, the evidence leads inevitably to the only conclusion to which I can possibly come, and that is that some Liberals in the Senate have abandoned their trust and their responsibility in the pursuit of political points and inappropriate power. I do not want to believe this and I know that Canadians do not want to believe this either, but each time a bill is frivolously delayed, each time legislation is blocked, the conviction must grow stronger that political power games are being played, and by people who do not have an elected mandate over the fate of Canadians.

This must not happen. If it is happening, it has to stop. It cannot continue. We live in a democracy and we should live by the democratic rules. That means that the laws are made by the elected members of this Parliament and not by those who are appointed.

I do not hesitate to make clear the government's attitude toward any political posturing on behalf of some members of the other place. I also do not hesitate to commend those members who have exercised their trust in a responsible and reliable manner, and many have. In fact, there are some suggestions by the Senate that do demand praise and affirmative response. The minister has listened to the wiser counsel and the more reasonable recommendations with interest and with a commendable quick willingness to respond to those suggestions that improve upon the spirit of her bill. I think that that is most commendable.

For example, the Senate has made certain suggestions regarding literacy and we are pleased to recognize and accept these suggestions regarding this very important provision. I know that the minister would want me to acknowledge and commend the senators who suggested this improvement to her bill.

Even though we resist the effort of some Liberal members to subject the government to inordinate strictures regarding the annual plan showing how unemployment insurance funds will be spent in training and developing worker skills, we do recognize fairness and we have proposed a compromise which responds to this.

Finally, we also recognize and share the concerns of the Canadian fishery and the government is willing to amend the act to better protect fishermen. By the way, it must be noted that the benefits for fishermen were never, never touched by Bill C–21.

However, these accommodations have nothing at all to do with tactics that smack of intimidation or power plays by certain members of the upper House. These accommodations, rather, speak of the reasonable and fair attitude of the government and its commitment to do the right thing. We urge the Liberal senators to take the same fair view on behalf of Canadians and we believe that most would like to do so if given the opportunity to follow the dictates of their conscience.

It is a fact that the Liberals do have a majority in the Senate, but they must learn to resist the temptation to abuse the power that this gives them and to respect the trust that we have vested in their office. Canadians must not have their democratic prerogatives so comtemptuously ignored. The Senate must pass Bill C–21 with only the three amendments to which the minister has agreed.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I listened with interest to the speech just given by the hon. member for Winnipeg South. It is interesting that she indicated that the people of this country are behind the PC government because they elected it in November 1988 and in fact support its policies.

It is no wonder that people have found it necessary to go to the Senate because this government has itself abrogated its responsibility. It has no mandate to change UI. In fact, the Secretary of State for External Affairs promised people in Atlantic Canada during the campaign that there would be no changes made to the UI bill. That was a promise made by this government, one more promise that it simply has not kept.

The hon. member criticizes the Senate for what she calls improprieties. Certainly this government is as guilty, if not guiltier, because it made a promise to the Canadian people and it has not kept that promise, like many, many other promises that this government has not kept over the years of its two mandates.

This morning the hon. Minister of Employment and Immigration was in the House and I listened with great interest to her speech. She indicated that this bill is a benefit to Canadians. She indicated that not only was the government benefiting Canadians but that it had

Canadians' interest at heart. She pointed out two achievements which the government hopes to accomplish. One was to improve social benefits and the second was to give incentives to encourage work.

My home province of Saskatchewan is a good example of PC governments providing opportunities to work. In that province we have had a provincial PC government since 1982 and we have had a federal PC government since 1984. In 1981, the last year that the New Democratic Party was in power provincially, we had a budget with a surplus of $140 million. That was the eleventh straight year that the New Democratic government, under Premier Allan Blakeney, had brought in a surplus budget. The very next year, when the Tories took power under Premier Devine, they had a deficit budget and they have had one ever since. They went from a $140 million surplus in 1981 to a $3.5 billion deficit last year and this year it is going to go up another $350 million.

• (1520)

That is with a population of less than 1 million. That is an awful lot of debt from a government that is so-called business oriented, that is going to create businesses and jobs throughout the province and the country. This government has run the province of Saskatchewan right into the ground.

The whole effect that this government has had on Saskatchewan is extraordinary. In Saskatchewan this year farm incomes are expected to drop by 101 per cent. That means that people are going to go in the hole. They are going to be worse off this year, after putting in all their labour, time and effort, than they were at the beginning of the year. That is incredible.

In Saskatchewan rural communities are losing over 1,000 farms a year. Rural dwellers are losing jobs and are forced increasingly to move into urban centres. People are forced to leave the province. Last year some 23,000 people left the province of Saskatchewan, that is a net loss of 23,000 people that was not replaced. Over the past four years it has been close to 50,000 people.

Under the free enterprise governments of Grant Devine and the right hon. Prime Minister we have had a net loss of some 50,000 people in the province of Saskatchewan and we have a deficit of $3.5 billion. Now this government is going to be cutting the unemployment insurance benefits that these people should have a right to receive.

In addition to that, record numbers of people are living below the poverty line in Saskatchewan. We used to be a have province in Saskatchewan. We used to look with some sympathy upon other regions of the country which were have nots. We are a have not province now. We have gone from being the bread basket of Canada to being a basket case. Fourteen per cent of people in Saskatchewan are living below the poverty line. The only province that has a higher percentage is Newfoundland. This has happened under right wing free enterprise governments that have done nothing for the average people in Saskatchewan.

At a time like this, this government brings in a bill that is going to cut $1.3 billion from unemployment insurance, at a time when people in Saskatchewan and various regions of the country need that program desperately and have a right to receive it.

This government talks about improving the social benefits of Canadians. If government members really had the interest of Canadians at heart and wanted to improve social benefits, I wonder why they did not introduce the variable entrance rates last year when they knew that time was running out. That has been passed each year but last year the government refused to pass it.

Government members talk about the Liberals playing games. Well the Liberals do play games but they have nothing on the Tories, nothing at all. In fact, the hon. minister can stand in her place and talk about the social benefits and at the same time talk about delays in the legislation. Yet when this side of the House would have been co-operative in passing the variable entrance rates, they simply refused.

Who is playing politics at the expense of the people in this country who are suffering the most from the policies of this government? It is very clear who is playing politics in this House and who plays it very well.

If the government wished to bring forth a package that included variable entrance requirements, that talked about literacy training, that would look at benefits to the fishing industry and would increase paternity and paternal benefits, New Democrats would be happy to support it. We would be happy to help draft such legislation. It is in our interests and the interests of Canada to have such matters passed in this House. But we do not want to be tied to a piece of legislation that is itself corrupt and

rotten. It is not good to put a sugar coating over a bill that is simply rotten. This is the game the government is playing.

If the government had the interests of Canadians at heart, it would be introducing such legislation. The government wants to provide incentives and encourage work. I find it insulting that the minister would say that the government is providing incentives for Canadians to work. Canadians want to work, Canadians want to work very hard.

I know many constituents in Saskatchewan who are having difficulties with employment who want to work. They do not want to go on welfare. They do not want to be on unemployment insurance. They do not want to be just existing. They want to have their pride. They want to have a job that is meaningful and in which they can take some pride. It is hypocrisy for the minister to stand in her place and say that they are going to create incentives for Canadians to work. It is this government that has been creating disincentives for Canadians.

The regional development program is astounding. It is outrageous. We have heard members from the government side indicate that there can be no more regional programs unless the bottom line economics are there. This country was created, developed and has matured on regional development, on a concern for creating employment and wealth in all areas of the country.

We have a problem of geography and concentrated populations in this country. We have small pockets of people in various regions and unless we have a government committed to maintaining viable employment in those regions, they will suffer. It is contrary to the history of this country to have a government that has a bottom line mentality. This is certainly a different Tory party than we had even 30 years ago. This is a neo-conservatism party. It is a new right-wing mentality. John Diefenbaker would roll over in his grave if he had heard this type of talk.

The bottom line is that this economic mentality is not benefiting the country. Business is suffering. There is no commitment to small business by this government. There is a commitment to large business because it provides the funds for this government, but a real commitment to small business does not exist. There is no commitment to agriculture or the fishing industry in this country.

This party has been calling for a permanent agricultural program for years. The government has been promising one since 1985 and it has not materialized yet. Now there are some rumblings. We will have a bottom line economic agricultural program which is going to mean the death of many rural communities, the loss of many family farms and increased unemployment. Yet, the minister is going to create incentives for people to work at the same time as taking away their very livelihood. This is hypocrisy. It is unfair and it is unjust.

In my area, in Saskatchewan, and other regions such as the Maritimes, there are many rural communities that are suffering. Their economic base is in real trouble. In the west it is agriculture. In the maritimes it is largely the fishing industry. They need some assistance. They need some compassion. They need some real solutions from this government, but they are not getting them. Instead, the minister is creating a bill that will encourage people to work. It is fine to encourage people to work, but we had better have the opportunities for people to work at.

• (1530)

The Prime Minister and other members of the government have stood in this House many times and talked about job creation and their record of job creation. However, according to the Economic Council, something like 90 per cent of these jobs have been created in the service sector. Many of them are very low paying, part time or temporary.

This is not the kind of job creation that Canadians deserve. This is not the kind of employment that Canadians want. It is a credit to the many Canadians who want to work and who are willing to take these jobs. They take these jobs which provide them with a survival existence rate. I have forgotten the exact figures, but there are 500,000 or 800,000 families in this country where both parents are working because they are so poor and they are trying to keep themselves above the poverty line.

Some hon. members: Oh, oh!

Mr. Laporte: That is a fact. Hon. members opposite may laugh. They think it is funny. These are the facts. Actually I believe that my figures are low.

Some hon. members: Oh, oh!

Mr. Laporte: How many single parent families do we have in this country? Do members opposite know? It is well over one million single parent families who are working, trying to make a living, and trying to survive.

This is the government that promised child care legislation. This government made it a commitment. In the summer of 1987 the Minister of Finance said that it was not a promise but a commitment. This was one of the Tory commitments. The government has misled the Canadian public, and members opposite know it.

Mr. Redway: That was the legislation the Senate would not pass.

Mr. Laporte: The government should introduce some proper legislation on child care, which was a commitment of the government. When is that to happen?

The government is going to put money into training programs and that is great. I think we should have more training programs. Everybody in this House believes we should have training programs. A little closer look should be taken at them. The one program with which I have had some direct involvement is the Canadian Futures Program. Last year I was looking at this program to see how it could benefit many communities in my riding. I found out that the Canadian Futures Program had no money, yet it was part of the employment and immigration package which was being flaunted around the country.

The Canadian Futures Program in many ways has had some problems to which the government has so far refused to listen. For example, trade unions, women, native people and persons with disabilities are seldom represented on the Canadian Futures committee.

The current federal training programs are deemed by many to be misdirected, inflexible, centrally managed, and inadequate. Simply to pour more money into programs which are not working is really not going to accomplish very much. Surely members opposite realize that.

Money is being put into training programs which need to be redirected and re-evaluated, and the government is saying it is doing a lot for training. It is great to put the money into training, but let us have some proper programs. Let us have a bit of thought in developing these training programs and don't put the money into training programs at the expense of the unemployed of this country, which is what this government is doing.

What should this government do? First of all it should withdraw this bill. The government has no mandate to introduce this bill and, given what is happening across the country, there is even more reason now not to proceed with it.

Second, it should introduce variable entrance requirements. With rising unemployment this government has no excuse for not introducing a variable entrance requirement amendment right now. That would be a benefit.

Third, the government should accept the Federal Court ruling on parental benefits. One of the jokes of this is that it is saying that it is doing a lot of good for this country. It is the Schacter case, a decision of the Federal Court which indicated that the government should be extending parental benefits. The government is only implementing the Federal Court decision.

I would just like to close with a couple of comments on the Senate. This is a government that can talk about the injustice of the Senate and, as the last member said, the outrageous behaviour of the Senate. The outrageous behaviour is on that side of the House. The government has invoked closure at every stage of this bill. It has used closure more often than any other government in the history of our country. The disrespect for Parliament is sitting on the other side of the House. It is these people and this government that are showing disrespect for this institution and to all people of this country. They should be ashamed of themselves. I know some members opposite are ashamed but are not saying very much. It is a sad situation.

In closing, I cannot support this bill for the reasons that I have outlined. I call upon this government to withdraw this bill and bring in something that is more humane, more acceptable, and will benefit all Canadians.

[*Translation*]

Mr. Jacques Vien (Laurentides): Mr. Speaker, unemployment is a very serious problem to which our government devotes a great deal of attention. Obviously, the best solution to the unemployment problem is job creation, and on this score, our government has no lesson to learn from anyone. Mr. Speaker, since 1984, our government has created over 1.5 million jobs. The

Minister of Finance (Mr. Wilson) in his recent Budget Speech said:

> The economy has expanded for seven consecutive years. Employment has grown strongly. After-tax incomes have risen. Economic opportunities have been increased. Poverty has been reduced by the best kind of social policy—more jobs.

Upgrading the labour force is thus part of job creation and that is precisely the purpose of Bill C-21.

Indeed, Mr. Speaker, Bill C-21 involves a labour force development strategy, a dynamic strategy compared to the present unemployment insurance plan.

Bill C-21 seeks to encourage the private sector to provide workers with more and better training. Bill C-21 will also permit use of the Unemployment Insurance Fund to create new job opportunities; it will make unemployment insurance more proactive. That is an innovative feature, Mr. Speaker, that will give workers new opportunities.

Of course, the Liberal senators have been repeating for months that Bill C-21 will lead to the destruction of the unemployment insurance system. Do not believe a word of it. It is the worst kind of fear-mongering and the Liberal senators should stop spreading such falsehoods once and for all.

• (1540)

Contrary to what the Liberal senators are saying, Bill C-21 contains measures that substantially improve the present legislation. I may add that these improvements are most welcome if we are to provide solutions adapted to the reality of a changing economy in the 90s.

Under the present legislation, the UI system is merely a set of passive measures that come into play after the fact. Under the present legislation we react, while the new measures in Bill C-21 will enable us to act. That is what the Liberal senators will not see and will not say.

We must adapt the UI system to new circumstances, and that is exactly what Bill C-21 does. I think this is a very important point, because the provisions of the present legislation fail to consider the real needs of Canadian families at the beginning of the 90s.

Changing values in our society have led to new attitudes. Today, bringing up children is a task shared by both parents. Both parents play an increasingly active role in the lives of their children. If the bill is passed, this fact will be reflected in the UI system. The bill also contains more generous provisions for special benefits, making them more readily accessible to claimants than is the case under the existing legislation.

By making parental benefits available to both the father and the mother, to both natural and adoptive parents, the government reflects in its new legislation the changes that are taking place in Canadian families. Today, women who have given birth are entitled to benefits for a maximum of 15 weeks, and only during the first part of their benefit period. The fathers are not entitled to any benefits at all. That is the kind of situation Bill C-21 seeks to remedy, and that is what the Liberal senators are rejecting.

Another important change in this bill that will make the UI system more equitable concerns workers who are 65 and over. Many of these workers want to keep on working and deserve to have the same rights as younger workers. Bill C-21 extends income protection to workers 65 and over. However, the bill is more than just a few changes in a number of unemployment insurance rules. It allows the government to implement its Labour Force Development Strategy. This strategy is a major government initiative that will make Canada increasingly competitive on world markets.

Obviously, Mr. Speaker, an active of income protection program is more than just distributing cheques to people who have lost their jobs. An active income protection program offers workers a chance to acquire new skills and explore new ways of finding better jobs and keeping those jobs. In this perspective, the government will work with the private sector to help employers offer workers more and better training. We want to align the level of training in the private sector with the levels existing among our main trading partners.

The government will spend more on human resource planning and training new entrants, which will involve the apprenticeship programs, the Industrial Adjustment Service and the Community Futures Program.

With the additional funds, the government will be able to work together with employers, workers and communities to help them adapt to changes in the workplace and to increasingly competitive world markets.

Thanks to the Labour Force Development Strategy, there will be more money to train those receiving unemployment insurance benefits. They will be able to acquire the skills they need to find better and more stable employment.

The Labour Force Development Strategy will also give us a chance to try new and innovative approaches in responding to the needs of Canadian workers, by providing financial assistance to unemployment insurance claimants so that they can establish their own businesses or move to areas where there are more jobs. Bill C-21 will have a positive impact on workers, communities and the entire country.

Contrary to what is being said by the Liberal senators, the government is firmly resolved to do what is necessary to ensure that Canadians have all the skills they need to adapt and become part of a changing economy. Thanks to Bill C-21, we will certainly be in a better position to meet their needs.

Mr. Speaker, there is another aspect of this bill that deserves to be highlighted. Thanks to the proposed changes, the UI system will be able to respond to the varying employment needs of communities across Canada. This means the government has ensured that the UI system is adapted to regional needs. In regions with high unemployment, most claimants will continue to receive the same benefits. This is another aspect of the bill that demonstrates the flexibility of the new UI system in adjusting to today's and tomorrow's economic realities.

Mr. Speaker, I would now like to comment on the role of the Senate in the legislative process involving Bill C-21. It has always been said that the Senate's role consisted in providing "sober second thought" on legislation. Recently, however, it has become the scene of political manoeuvring, with certain people using their position to wreck bills passed by democratically elected members of Parliament.

The senators said they established a special committee of the Senate so that people who did not appear before our legislative comittee could express their views. One wonders why 54 of the witnesses selected to appear before the special committee of the Senate represented groups or individuals who had already appeared before the legislative committee.

One also wonders why the special committee of the Senate decided to hear representatives of groups that had already voiced their objections to practically all government proposals. And why did the special committee refuse to consider the views of acknowledged experts on unemployment?

It just proves the Liberal senators only want to show one side of the question, that they want to try and scare the public and are not interested in seriously considering the real and positive impact of the bill before the House today.

• (1550)

The Minister of Employment and Immigration (Mrs. McDougall) also told members of the Senate Committee that their deliberations had raised no major new points on the bill. The Special Committee was also determined to delay the process for as long as possible. The facts speak for themselves, Mr. Speaker. The House passed Bill C-21 on November 6. The Special Committee met for the first time three weeks later. It only reported to the Senate on February 14. Such a performance is quite deplorable.

As I said before, the provisions of Bill C-21 take account of the needs of regions where unemployment is high by setting a scale that makes the system simpler and fair for all beneficiaries. But instead of adopting Bill C-21 and the variable entrance requirement, the Liberals in the Senate have decided to wait. This means that many people who would be eligible for unemployment insurance today cannot benefit from it. Canadians well know that the Liberal senators are to blame for this. Canadians also know that the Liberal senators are preventing many people, including mothers and fathers of newborn children, from receiving the improved benefits provided by Bill C-21. People are counting on these benefits and part of the Senate is happy to drag things out. Canadians must also remember that it is the same group of people who prevented the passage of several bills for political reasons.

Let me remind you in particular of the long battle that preceded the adoption of Bill C-21 by which the government sought to improve patent protection for inventors of pharmaceutical products. Obstruction tactics like those of the Liberal senators had not been seen for a long time. The senators invoked the same arguments then as they do now, namely that the people would

suffer, that the government was not interested in the problems of the old and the sick, and that the cost of medication would rise astronomically.

We are now sure of what we already knew. The senators' demands were unjustified and were only intended to frighten the public and harass the government. We cannot let ourselves be dragged into such a situation again and I am convinced that the Canadian people disapprove of the Liberal senators' strategy.

[*English*]

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, once again we are debating Bill C–21, which is the government's bill to cut back on the unemployment insurance program.

This bill will make it more difficult for Canadian employees to qualify for unemployment insurance. This bill will shorten the benefit period for which they will qualify if they are collecting unemployment insurance. This bill will terminate the government's contribution to the unemployment insurance fund, which last year was $2.5 billion.

For many years the unemployment insurance program fund has been contributed to by three sources: employees when they are working contribute to the fund, employers contribute to the fund, and the government contributed to the fund. Last year its contribution was $2.5 billion.

However, through Bill C–21 the government is terminating its contribution to the fund. That means that from now on, once this bill passes, only workers and employers will maintain the fund, which means that the contributions that they must make will increase but they are going to receive less in benefits. It is going to be more difficult to qualify, and they are going to get a shorter benefit period.

As a result of this bill, 155,000 Canadians will lose their benefits altogether, that is 155,000 Canadians who would have received benefits under the law as it stands now will no longer get benefits, and 775,000 Canadians will have their benefits reduced as a result of this bill.

In effect, what we are discussing here today are amendments that have been proposed to the bill by the Senate. I want to make it absolutely clear that if we were talking about amendments that were conceived in the minds of the senators, that were born on the floor of the Senate, then I would have some concern about them because as has been stated by Conservative members in this House the Senate is not an elected body.

The amendments we are dealing with today from the Senate were not conceived in the Senate. The amendments that the Senate is proposing to the House are amendments that have come forward from trade unions in Canada, from churches, from social action groups, from legal aid clinics, and so on. The Senate's amendments are virtually the same in principle as the amendments that we in the opposition proposed when the bill was in the House. The only thing is that the Senate's amendments do not go as far as our amendments. They are a little milder than our amendments, but they are based on the same principles. Those amendments that the Senate is proposing have a wide consensus in this country and, in proposing the amendments, the Senate better represents the feelings in the country than the government does.

I must point out that the government, at the time of the election in 1988, did not make it part of its platform that it was going to change the unemployment insurance system. It did not make it part of its platform that it was going to cut back on the unemployment insurance system. As a matter of fact, when the Minister for International Trade, who is the principal spokesman for Newfoundland, the province with the highest number of unemployed in this country, was asked during the election campaign if the government had any idea to cut back or change the unemployment insurance system, he said: "Absolutely not!". He then went on to say that he consulted with the Prime Minister and there was no way they were going to touch the unemployment insurance system.

This government has no mandate to do what it is doing, and in many respects the Senate is speaking for the Canadian people more than the government is.

I want to remind the government that although it has by far the greatest number of seats, at the time of the election it only got 48 per cent of the votes. The combined opposition parties, the Liberals and the New

Democrats, got 52 per cent of the votes. Therefore, at that time the government did not even get the majority of votes of the Canadian people, and it is putting forward some serious cuts to a major program for which it has no mandate.

If we look at the situation today, the government got 48 per cent of the votes at the time of the election but in the recent Gallup poll it had 19 per cent and was in third place. That is the kind of support it has among the Canadian people. In another poll, it had 21 per cent of the support of the Canadian people, still in third place, even behind the NDP.

Using closure at every stage, the government is trying to ram through a bill for which it has no mandate. Closure was used at second reading, at third reading and report stage and now, after one day of debate on the Senate's amendments, the government is using closure again. At one time in this country closure was an exception to the rule, but with this government it is used as a matter of fact on every bill because it does not believe in democratic discussion and debate.

I want to point out that we in the Opposition do not delude ourselves. We know that with extended debate we are never going to convince those Conservatives on the other side to vote our way. They would not vote our way no matter what we did, even if we debated it for 100 years. But the purpose of extended debate in this House with a free press and with the proceedings televised is to get the message across to the Canadian people outside this House so that public opinion will know what the government is doing. However, the government does not want the public to know what it is doing. It applies closure immediately after one day of debate so that the public is confused and it does not know what is happening.

Well, Mr. Speaker, that is the kind of approach that you get from a totalitarian attitude in government and that is what we have over there. They use closure on every bill that has any kind of controversy to it and they do it immediately after a very short debate.

We have to return to the very principles of unemployment insurance when we discuss a bill like this. One must remember that unemployment insurance was introduced in this country in 1940 after the great depression of the 1930s, because in the great depression of the 1930s when people were laid off they had no income whatsoever. There was no unemployment insurance. All there was were soup kitchens, bread lines and voluntary relief. What that meant was not only did families and individuals suffer as a result of unemployment—they could not feed their children, they could not buy their clothing, they could not pay their rents—but the whole community suffered. What started off as one plant closing, soon snowballed into damage to the entire community. With unemployment insurance, not only can the unemployed person pay his rent, buy his groceries, and pay for the essentials of life, but he keeps the community going.

• (1600)

We had House of Commons committee hearings in Sudbury. The people there pointed out that in 1982, when the world nickel prices went down, nearly 10,000 people were unemployed in Sudbury. It was because of the UI system that nearly 10,000 people were still able to pay their rent, buy their groceries, and pay for the gasoline for their cars, that the community stayed alive. The whole community did not go down the drain. The community was able to survive for over a year until the nickel prices went up again and a lot of those people were brought back on the job. The unemployment insurance program kept those individuals, those families, and that city surviving during that hard period.

The government is cutting back on the benefits to the unemployment insurance program. It is trying to pretend that it is not doing that. On the one hand the government it is going to put $800 million into training yet we all know that the government is taking money away from unemployment insurance benefits. The government tries to pretend that that sort of sleight of hand operation is really not going to hurt the unemployed. Where the unemployed person used to have so much money to pay for the essentials of life, he is going to suffer a cut back on those payments, but somebody is going to get money for training. We in the opposition believe 100 per cent in training. We believe the government should train and it should have been training for a long time. But one does not reduce the benefits that go to the unemployed individual, benefits he needs to pay for the essentials of life. One does not reduce those to pay for the training. For years and years in the country, training was paid out of general income tax revenue that goes into the

government and that is how it should be paid for. Training and education benefits the whole community.

The government, in supporting this bill, pretends that nothing wrong is happening to the unemployed. The government is introducing and passing this bill because it believes so strongly in training. I want to remind the House that from 1984 to 1988 the government cut back training programs at the federal level by 32 per cent. In 1984, training programs were $2.2 billion and they were cut back to $1.5 billion over that period of time.

All of a sudden, following the free trade agreement, the government started to get criticism from the de Grandpré Commission and other commissions that there was not enough training in the country. This great Conservative government sat back and said: "Gee, we have cut back too far on training. We have to do something about it. Where are we going to get the money for training? We also believe the highest priority in this country is the deficit". The government looked around at different places to find money and found it in the unemployment insurance fund. It plucked $1.3 billion out of that fund and put it into training.

Where does that lead us? That brings us back exactly to where we were in real dollars in 1984. In 1984 we had $2.2 billion for training. Now, because it is taking money away from the unemployed, we will again have approximately the same amount of money. That is a great commitment to training. When the government's back is up against the wall after it has reduced the fund by 32 per cent over five years the government is going to put the money back, but take it away from the unemployed because it does not have the guts to raise the money through taxation as it should be done.

What is the result of these government amendments? These government amendments are going to cut back on unemployment insurance. It is another type of shell game like the budget which was produced a couple of weeks ago. The government is cutting back benefits to the unemployed. As I pointed out, 775 Canadians are going to have their benefits reduced and 155,000 are going to lose their benefits altogether. What will happen to these unemployed? What are they going to do if there is no job to go to? They are going to be shifted onto the provincial welfare rolls. In Ontario, they will go onto the municipal welfare rolls. Somebody has got to pick up the tab. If you do not have unemployment insurance in this country, it is the welfare system. It is a social assistance system.

Again, in the House of Commons committee hearings, the cities of Vancouver, Toronto, Ottawa, and Sudbury all said that as a result of this bill their welfare costs will go up. If people are without money, jobs, or unemployment insurance, we are not going to let them starve on the street. We are not going to allow them to rely totally on soup kitchens and breadlines. They will come under the welfare system. Somebody, be it the same Canadian taxpayer, will have to pay for it, but instead of it being done through a rational system such as the unemployment insurance system which has served this country well for years, it will be done through the welfare systems. That is one of the results of this legislation.

In addressing the bill government members have said that the purpose of the bill is to take away the disincentives in the unemployment insurance system so that Canadians will work rather than rely on the dole. In other words, Conservative members are implying that the unemployment insurance system we have had for years is an incentive not to work, an incentive to laziness.

We have the same unemployment insurance system throughout the whole country. It is the same system in Newfoundland as in Toronto. In Toronto the unemployment rate is around 4 per cent. In Newfoundland it is around 20 per cent or 18 per cent. If it is a disincentive to work, why are all those lazy bums in Toronto not working? It is not a different system in Ontario, Alberta or Newfoundland. It is the same system in every province, yet there is a low rate of unemployment in Toronto and a very high rate of unemployment in Newfoundland, Cape Breton and in the Gaspe. The reason is not the unemployment insurance system, the reason is there are no jobs.

An hon. member: That is Tory logic. So much for Tory logic.

Mr. Allmand: Yes, that is Tory logic. The Tories blame the unemployed for unemployment. They put the blame for unemployment on the people who cannot find jobs. If the real cause of unemployment was the unemployment insurance system, then you would see uniform unemployment across the country. I do not think anybody can argue that Newfoundlanders are any more lazy than anyone else. You will find, as a matter of fact, that half of Toronto is filled with Newfoundlanders, Prince Edward Islanders and New Brunswickers, and so on. They are not lazy. They want to work. What they need are jobs.

They do not need cut-backs in their unemployment insurance system.

In many parts of Canada, not the big cities such as Montreal, Toronto, Vancouver or Calgary, many places are one-industry towns based on resources. They are lumber towns, oil towns, mining towns, fishing towns and farming towns. In the wintertime their employment is very seasonal in nature. When the fishery closes down in the winter there is no work. If it is a town based on tourism where tourism stops in the winter such as an ocean resort located in Prince Edward Island and the beaches are closed, there is no work.

It is not that the people are lazy, they need something to keep them going until the spring comes, until the fishery opens, until the forestry industry gets going or until the logging gets going again, or until the prices go up as they did in Sudbury. They need something to keep them going and the unemployment insurance system is what has kept them going in the past.

In most progressive countries in Europe, in West Germany, France, or Sweden, they have very efficient unemployment insurance systems yet they have low rates of unemployment. Unemployment insurance systems are not the cause of unemployment. The people that are unemployed are unemployed because there are no jobs.

The minister tries to justify this bill and tries to justify the cuts in the bill by saying: "Yes, I am cutting back on benefits to the unemployed but I am going to provide them with training". I want to ask you, Mr. Speaker, if you are an unemployed fish worker in Canso, Nova Scotia, what are you going to train these people for? Are you going to train them for a job in Toronto? Are you going to train them for a job in Calgary, in Vancouver? If you are going to train them in something new and they live in Canso, you first have to do something about getting jobs in Canso so they can use that training there. The same thing for Sydney and Glace Bay and northern Ontario, and so on. You just do not train people without any ideas as to where they are going to go once they get that training. Training is a good thing. Education is a good thing. But you also have to have jobs once they are trained to fill those jobs.

We have had many examples of people who were trained over and over again in certain parts of the country but had no jobs to go to. It is great to train people but you have to have side by side with your training program a program for regional development and job-creation so that those people who get training will find jobs. It is not enough to say that we are going to move everybody to Toronto. Toronto is too big as it is. The rents are too high. The costs are too high. There is a high standard of living in Toronto. You have to go about 10 miles to get to work each day.

• (1610)

In conclusion, I want to say that the Senate amendments do not go far enough. They are mild compared to the amendments we introduced in the House of Commons. They are based on the same principles as the amendments introduced in the House of Commons, but they are mild. The Senate is trying to make a compromise with the Conservative government.

I point out again that as far as I am concerned the Senate has more of a mandate to present amendments before this House and this government. I say that because the government did not make these amendments part of its platform in the 1988 election. As a matter of fact, it denied there would be any change to the unemployment insurance system. The Tories did not make it part of its mandate. At that time the government did not win a majority of Canadian votes and now it is at 19 per cent and 21 per cent in the polls. It has no support whatsoever in the country and here, with the use of closure, it is trying ram through amendments which are not supported by the churches in Canada, the trade unions, nor the legal aid clinics. None of the social bodies support these amendments. Even the chambers of commerce are divided on them because they do not want to pay higher premiums. They know that when the government terminates its contribution which was $2.5 billion last year, that their contribution will increase. It is another form of taxation.

I ask the government to stop this nonsense of trying to pretend that what the Senate is proposing is something that was conceived in the minds of the senators. The senators are acting as a conduit for the strong feelings of millions and millions of Canadians. If the government had any sense it would wake up and send this bill back to the drawing-board to come forward with something that is more reasonable and more humane.

[*Translation*]

Hon. Jean J. Charest (Sherbrooke): Mr. Speaker, I had the opportunity to listen with great interest to my colleague from Notre-Dame-de-Grâce, who spoke forcefully about Bill C-21 and the situation today whereby Parliament is again considering—for the second time—a bill that we thought had been passed democratically, according to the customary rules of Parliament, Mr. Speaker. We thought that we had debated this bill, but here we are again together today debating this Bill C-21 because the Canadian Senate has sent it back to us. I regret that my colleague could not stay with us a few minutes more because I would like to respond, to make some comments on his speech.

Among other things, I found his statement that the Senate of Canada had a mandate pretty far-fetched, to put it bluntly, Mr. Speaker, but right at the end of his speech, he told us that the Senate had a mandate to change Bill C-21. Mr. Speaker, I think that we must not let such statements pass. We must come right out and say that it is false. The Canadian Senate has no mandate from anyone to change Bill C-21. From the outset, I think that we must denounce the fact that the Senate, largely dominated by federal Liberals, Mr. Speaker, senators appointed by Mr. Trudeau, today is usurping the democratic authority not only of the Canadian Parliament but, more than that, of all Canadians who ever voted in their life. To put it bluntly, by so doing, they are literally restricting every Canadian's power to decide democratically who will govern them. That is the ultimate result of their action. I wanted to mention it, and it is important to establish that fact at the outset because, if we start allowing the Senate to come and encroach upon the powers of the Canadian Parliament, well, it is the whole of our democracy that will ultimately suffer. I really want to make that clear, Mr. Speaker, and to point out that the Senate of Canada has been given absolutely no mandate to act in that way.

I was also puzzled, Mr. Speaker, by my honorable colleague taking the trouble of mentioning in his comments that the Senate had not gone far enough. It is as though he had been telling us at the same time: "Here are the amendments from the Senate of Canada, but I personally think that they have not gone far enough, that this is not enough."

We on this side of the House find this rather strange, all the more so since the Senate and the federal Liberals had proposed changing the entrance requirements from 15 to 18 weeks, whereas Bill C-21 provides for a variable entrance requirement of 10 to 20 weeks. In other words the Liberal senators were in favour of a requirement which is stricter yet than what the Canadian government, the Progressive Conservative government proposes through Bill C-21. And today the Liberal member for Notre-Dame-de-Grâce complained that the Canadian Senate did not go far enough. It certainly goes to show, first that contradiction does not faze them and second, that they ought to be talking to one another. I should think that they have caucuses, like all political parties in the House of Commons. Hopefully they will take every opportunity to sit down together and discuss the bills they are expected to debate in either House, because it seems to me their contradictions are rather flagrant.

Basically we are witness to something on the part of the opposition, and this goes for the NDP as well because I would not want to discriminate. As much on the NDP side as on the Liberal side we are witnessing a rather simple phenomenon, and that is a monumental failure in terms of fresh ideas, a monumental failure in terms of an alternative for a political party for the whole country. What they have been doing through this exercise—because the federal Liberal members sitting here are accomplices in this exercise—what they have been doing is to let unelected federal Liberal senators take over their parliamentary responsibilities. That is what we are witnessing here. Indeed, that is the issue of this debate. Let us not kid ourselves and suggest it is anything else but. That is exactly what it is. We are dealing here with an opposition which has completely shifted its responsibilities to a group of people who do not have to face the electorate at regular intervals, as elected representatives normally have to do in a

democratic system. That is exactly what we are witnessing now. We are therefore compelled today to take up the time of the House to debate once more a bill which we have already debated.

We are forced today to resume this debate and reconsider decisions already made, and this, at the expense of Canadian taxpayers. That is exactly what the debate people are watching today is all about. Which does not mean that the government is altogether unreasonable. Because we have at heart first and foremost to uphold the interests of our constituents, we are prepared to go to any length to make progress with this bill which is very important for our country. Although reluctantly believe me, we are prepared to accept certain amendments to accommodate the Senate. I emphasize this point, because we want to show that, in fact, we are not totally insensitive to what the Senate may say nor to the message it may want to convey to us. We do not believe either that we know better than anybody else in this country what is good for the Canadian people.

It is true that once in a while, a member of the opposition, whether a NDP or a liberal, or even a minister or an individual member of the Ontario or British Columbia legislature may come and say: "Well, back home, things are different. Here is a significant amendment to the bill." This may happen. In this case, I can tell you frankly that there are a few amendments proposed by the Canadian Senate which the government has decided to accept. I mention this because it is important to let people know that we are always ready for a compromise. We are prepared to bend over backward, as we say in Quebec, to make progress with this bill.

Having said that, Mr. Speaker, I think it is also important to see what Bill C-21 is all about. First of all, we must tell Canadians frankly what they will have to face in the 1990s. Training will become an essential component in peoples' lives. We will have to make sure that in the forthcoming years, there is increased training in the labour force if we want Canadian men and women to keep their jobs and adjust to the new technologies which will appear on the market place.

• (1620)

Bill C-21 attempts to prepare them to face these big changes.

Mr. Speaker, we know that our unemployment insurance system was designed in another era, the 1950s and 1960s—things move so fast in our world that we can now call that another era. The system was designed at a time when Canada's economic requirements were quite different from what they are today. What has changed dramatically in the last 20 years in Canada is that to enter and remain in the labour market, you need a minimum level of training. Bill C-21 recognizes this need. It makes an unemployment insurance system, which is largely passive, more active. We take a pool of money of about $10 billion a year all told, paid for by employers and employees and by the government when it contributed and when it will be called upon to contribute from time to time as required. We are taking about $10 billion that was paid out passively to Canadians and we are making it more productive so that those who receive benefits can at the same time get the help they need to re-enter the labour market. That is what Bill C-21 is about, Mr. Speaker.

If you take a look around, and my colleague from Notre-Dame-de-Grâce mentioned it when he spoke of chambers of commerce, if you take a look at the chambers of commerce in Canada and the Canadian Manufacturers Association, if you look at the economic development corporations, in Quebec, Ontario, British Columbia or elsewhere, they will all give you the same message: Training is the key to making the Canadian economy competitive. If it is a key element, we must adjust our systems to recognize the importance of training. That is the purpose of Bill C-21.

I hear a New Democratic colleague, I hear noises from that side, someone saying that we are making the poor pay. That is absolutely false, Mr. Speaker.

Basically, what you say seems to confirm that you have a poor understanding of the Canadian economy, of Bill C-21, and of the needs of Canadian men and women in the years to come.

Basically, what he is saying today is: Don't change a thing. Don't change the Unemployment Insurance Act and don't change anything in this country. As if Canada could continue unchanged in a world that is perpetually changing, Mr. Speaker. It cannot!

Canadians listening to us today know perfectly well we can't. We cannot stay put and stand pat and do nothing, like the New Democrats and the federal Liberals, and pretend everything will work out fine. It just isn't true. We must have the guts to change the system we have, and that is exactly what Bill C-21 sets out to do. Its

purpose is to help those who need training, who need to acquire skills, and who need practical training to get back into the labour market. That is what this is all about, Mr. Speaker.

Unfortunately, we on this side of the House face an opposition that suffers from hardening of the arteries, that has no idea and is unable to come up with alternatives. You will notice, Mr. Speaker, that the alternatives they do suggest always boil down to the same thing.

I have been in the House since 1984, and to every government bill, the opposition has responded with the same alternative: spend more money!

We ask them: What would you do if you were running the show? No problem, they would spend more money. Our national debt has now reached $350 billion. Makes no difference! Spend more money! Always the same naïve answer.

Basically, what they are saying is, they don't want to choose. They don't want to suggest an alternative.

Mr. Speaker, I want to take just a few minutes to talk about the situation of young people in this country, a subject in which I was very much involved. I had the privilege of occupying a cabinet position in which I was directly responsible for young people. If there is any group in our society that so obviously needs training and education, it is our young Canadians. Canada has a very serious problem today with respect to training and education. For instance, we have a very high drop-out rate at the secondary level. About 30 per cent of students in Canada do not finish highschool. I am sure this will surprise many of our listeners. Thirty per cent! I see a number of young people here today, our pages here in the House of Commons, who provide a truly exceptional service. They are at university, but these young men and women who work for us in the House of Commons represent 13, 14 or 15 per cent of the population in their age group. That is quite impressive. To me this must mean something.

What is even more surprising is that the highschool drop-out rate is not going down, it is going up. It is increasing in British Columbia, Alberta, Ontario and Quebec, and the only province where the school drop-out rate is stable and going down is, as far as I know, Saskatchewan.

Another thing we know, Mr. Speaker, is that the more training or education a person has the better his or her chances to find gainful employment in our society. That was true 20 years ago, that was true 30 years ago, and it is still true today in 1990. It is important that we pinpoint these problems and make an attempt to solve them. It is an important problem for the following reasons. The people who are likely to benefit from training are those who already have had a minimum of education, people who have at least Grade 5. Statistics indicate quite clearly that people who take advantage of these training opportunities, attend night school or enrol for three- or four-week courses when drawing unemployment insurance are those who in most cases already have a minimum of education or have finished Grade 5 at least. But let us not worry about those who did not complete their studies, let us face it, they are not going to go knocking on doors to show that they do not have the minimum education required to enrol for other courses. This is why we have to be aware of these new problems, Mr. Speaker.

Bill C-21 fits in that context because the government acknowledges the importance of all—

Mrs. Langan: They have to pay for it themselves!

Mr. Charest: Pardon me! Excuse me, Mr. Speaker, I thought I heard something, but obviously it was just a bit of noise from the NDP side.

In any event, we should strive to identify quickly the new challenges we will have to meet in the 1990s, challenges of which we had no idea some 30 or 40 years ago, because frankly, what is new in this country, is the fact that we have somehow become the victims of our own success. Some 30 or 40 years ago, we lived in a resource based economy and an individual did not need much education to get and keep a well- paying job. But this situation has changed dramatically over the past 20 years.

Today, we know for instance that within the next ten years, 67 per cent of the new jobs will require at least 12 years of schooling and of that number half will require at least 17 years.

I suggest, therefore, that the message is clear and easy to understand. At least, the members on this side of the House have succeeded in understanding it very quickly. That is the reason why the government has introduced

Bill C-21 to amend the Unemployment Insurance Act, to make sure that Canadian men and women can take advantage of the employment opportunities which will be created for them on the labour market, provided we have the courage to implement the major changes which are necessary.

• (1630)

That is what Bill C-21 is all about. Unfortunately, this is an issue of secondary importance, because the real problem, as far as I am concerned, is the fact that this Parliament is being robbed of its authority by non-elected people who, by their actions, are trying to whittle down the democratic power of each and every citizen in this country. Through their action today, Mr. Speaker—I urge you to reflect upon it, because what I am saying is very important—the Liberals are telling the Canadian people who took part in the last election that their votes do not mean anything. They are trying to undermine the basic power of each individual who voted in the 1988 election. And that, Mr. Speaker, is a sham which we must denounce today and again tomorrow, and for which the Liberal Party of Canada will eventually pay a very high price.

[*English*]

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, it does not give me any great pleasure to speak again this afternoon. It seems every time I speak in this House it is in response to a government act of closure. It becomes the rule rather than the exception.

We wish the government would kick the habit. I think the people of Canada are probably not aware of the kinds of actions that this government gets involved in day after day, week after week, year after year. In fact, it is setting all-time records for closure. It is almost like a Gestapo kind of tactic. It is the same thing in committee hearings.

Committee members come out and say: "They don't listen. They don't want to listen. They don't want witnesses". They are so callous as to indicate: "Why listen to them? They will all cry the same song anyway". This is the kind of attitude that the members opposite have. The minister is in some sort of "never never land" that is not the reality of the situation.

The reality is in the constituency offices of this country. I do not think you are listening to the people who come into your offices. Ask them what they are talking about. They are talking about the UI bill. They are saying that this is another Draconian measure, in a whole host of measures that to me are very remindful of December with the clawback provision.

Clawback is obviously a term created by the Tory government. Bryce Mackasey put it very well when speaking of the UI program, specifically since 1980. He said: "Any tinkering with this program has been well orchestrated, a well orchestrated campaign based on the alleged abuse of the plan". I think that it is a carefully worked out plot that "everybody is abusing the plan and therefore we are going to have to fix it".

You indeed fixed it, but at the expense of the people who can least afford to pay for the changes, by preparing and conditioning people for the amendment, supposedly aimed at reducing the abuse when in fact the main purpose was to shift the financial burden. You have done that.

You throw in the occasional amendment. We call them sweeteners, artificial, synthetic, something which is very apropos from this government. I think it is also very uniform action in that the things you do are unimaginative and not creative. Both budgets have been that way. It is just an act of cut, cut, cut, cut. There is not one positive aspect in either one of those budgets, nor is there anything positive in this UI program.

Mr. Reid: Very depressing.

Mr. Butland: Very depressing, indeed.

In my constituency the Conservatives said: "You must vote for free trade because it will create thousands of jobs. It will be good for the Canadian steel industry." I am here to tell you that it is not doing us any good. I know the hon. member from Hamilton will understand this. You may not agree with me, but it has been bad for the steel industry. We had a visit from some American Congressmen and they said: "Don't bite the hand that feeds you, Canadians. You're not getting any more of our steel market. Don't kid yourself into thinking that". So this free trade agreement that was supposedly good for us is in fact hurting us. The American steel industry has not stopped harassing us. As a result there is unemploy-

ment in my riding. We have a state of the art seamless tube mill which is almost nonp–operational.

The unemployment rate continues to escalate. The answer to this is change the unemployment system, make it more difficult to get into it and you will qualify for a shorter period of time. To boot, you will pay for it. That is the ultimate insult.

As far as the training provided for by the government goes, it is recognized that the government's proposals have been abysmal failures, not only public, but private. The figures show that the federal government has been back–pedalling in this area. Statistics indicate that the federal government has been cutting back on job training outlays since fiscal 1984–85. The expenditure cut–backs would appear even sharper if the figures were adjusted for inflation.

While Japan and the U.S. allocate considerably less public sector money to adult job training, their private sectors more than make up for this seeming imbalance. According to the Department of Employment and Immigration the private sector in Canada spends about $1.4 billion on formal training, less than half that of the U.S. on per employee basis. I worry whether Canadian governments truly grasp the gravity of the situation. Long–term training should be the responsibility of government, particularly the federal government. In this regard governments have been letting the Canadian labour force down.

When it comes to governments discussing in their budgets the have provinces, Ontario is always mentioned. Ontario is wealthy. But they fail to break down Ontario into northern Ontario and southern Ontario. Northern Ontario is not doing well, thanks to this government and its free trade agreement and cuts in regional development programs.

We are put into an unemployment boundary with other areas. I am glad that Sudbury is doing so well, but we are not doing so well. The rates are askew. As a result the people in Sault Ste. Marie who are presently unemployed, supposedly at the rate of 9 something per cent, which I suspect is 13 or 14 per cent, are the ones who are going to be hurt by this, and will continue to be hurt.

I do not want to be a doom and gloom kind of individual because I am not that kind of person, but dealing with this kind of government makes one a very pessimistic individual. I think you must realize that this whole country has gone into a state of pessimism because you offer them very little hope in any positive way whatsoever.

I would like to get on to a tender issue that indirectly relates to unemployment insurance. It is border cities. Once again this government has said: "Free trade will benefit border cities the most". It has benefited us the least. The GST will drive them across the border as fast as they can go. You leave Canadians at the borders absolutely no choice, and when you give them no choice they shop on the American side.

Constituents are telling me: "We want to be like the Americans". Is this a plot that the government has devised? I find this depressing because they are shopping over there to the detriment of the businesses on the Canadian side. I think I can safely say that as a direct result of this, a new IGA store will not open in my constituency, something which will cost us jobs. I do not blame the people for shopping in the States. I blame the government for forcing them to go there. It will create unemployment, and they will turn to this new plan by this government which will make it even harder for them to qualify for it.

• (1640)

I turn to a magazine that I hesitate to read from, nevertheless, the cynicism that I exude as I read it really tells me what this is all about. "Privatization in Canada is being seen as an opportunity for Joe or Jill Average to enjoy the benefits of capitalism first hand". Who is kidding whom? There is a beautiful picture on the front of this magazine of the minister responsible for privatization. That is some indication as to the contents of the magazine.

The article I am reading from is called: "Back to Basics". The more you read the more cynical you become about the government and the people who support the government so strongly.

Once again, we get into this being an orchestrated campaign. They are talking about the UI system. A gentleman from Dupont said: "The system of regional subsidies encourages people in Atlantic Canada to be more dependent on collecting UI, encouraging them to stay where there are no jobs rather than to move to where the jobs are". So they are saying to the people in Atlantic Canada: "You don't like it here. There is no work. Move. Don't stay in Atlantic Canada. Don't stay in Saskatchewan. Don't stay in northern Ontario. Move to

where the jobs are because this system was not meant to protect you for all year round".

This gentleman from Dupont went on to say: "Many people in Atlantic Canada are 10–40 workers. They work for 10 weeks so that they can collect UI for 40". How cynical a statement can we get? It is just a way of life for these people, as if they want to work for 10 and be unemployed for 40 and collect unemployment insurance. It is like this is their dream, this is the all–Canadian dream for northern Ontario citizens, for eastern Canadian citizens and for citizens of Saskatchewan. That is not the Canadian dream. It appears that this government is in a dream, and it is creating a nightmare for these people and these regions.

"The move to tighten up UI is a step in the right direction because it more closely reflects this return to insurance principles. Business agrees that the labour force development strategy objective to move the UI system from passive income support to more active training in skills upgrading sounds good, but of course there is a catch—they have to pay for the course costs".

There is an indication in this article that big business wants it both ways, and that is just not possible.

In summary, I think that this government is abdicating its responsibility to the people of the country, in particular the people who must be cared for. There seems to be a general policy direction to cut back on the social programs of the country that we have so long been accustomed to and appreciated, but now you are breeding this sense of cynicism into the people of Canada. I am sorry to say that some people are starting to accept some of your philosophies in this area, people whom I never anticipated would accept them. Perhaps your propaganda campaign is working on some, but I am sure that it is not on the majority.

I believe the government should be responsible for its people. You people are getting more and more out of the business of dealing with the people, and caring for them. You are cutting them adrift. You are cutting that safety net. You are getting more and more into survival of the fittest, the Thatcherite kind of economic policy, the Reaganite economic policy where the fittest will survive and the others will fall by the wayside.

This country is too vast and too sparsely populated to operate in that kind of milieu, in contrast with the American state and its 300 million people. We have always had a history of caring for those who need to be cared for. We have always looked after the disadvantaged regions of the country. We are quickly moving away from that. We believe that this UI legislation is part and parcel of that. It saddens me to speak to this bill because each and every bill that seems to come forward is one full of great pessimism for just about everybody in this country.

I suspect that Canadians are waking up and will remain awake for the next three years. They will punish you for some of these policies. I sincerely believe that. Hopefully, there will be a change of government for the better and we can turn this country around and head in the direction that we should be going and to which Canadians want to get back. That is obvious. If you have checked the polls lately, you are in dire straits. I am sure this legislation is one of the reasons that you are in these dire straits and likely will remain there.

[*Translation*]

Mr. Jean–Pierre Blackburn (Jonquière): Mr. Speaker, I was reading the speeches by members who took part in this debate, and I realized this would be my third speech on this particular bill. My first was on October 24, my second was on November 2, and today, here we are again, talking about Bill C–21.

When we talk about tolerance in this country, I think there is quite a bit. We are talking about C–21 again, although a group of parliamentarians crisscrossed this country for three weeks to hear various intervenors on the subject. We heard nearly 150 different groups, all of whom expressed their positions. We tabled a report in the House. We reported back to the House with an excellent bill to reform the unemployment insurance system, under which $1.3 billion of the $12 billion in the Unemployment Insurance Fund is to be reallocated. We will put $600 million into new services. For instance, maternity leave will be doubled, people over 65 will now also be eligible for unemployment insurance benefits, and furthermore, $800 million, still part of the same $1.3 billion, will be taken to provide more training for workers, at a time when in Canada, 50 per cent of the private sector tells us it has trouble finding qualified

manpower and when many young people drop out of high school to enter the labour market. The consequences are well known. In a year or two these people are out of work, and then what happens? Unemployment and welfare, if they don't take the trouble to get training. And that is what our government proposes to do in this legislation.

We want to train our workers in order to have a qualified workforce that can enter the labour market with confidence and is able to get ahead. So what happens? We have a Senate, this dictatorship of princes, that is abusing its powers and which today again is thumbing its nose at the decisions of our elected representatives, those who were duly elected by Canadians to introduce legislation. It thumbs its nose at all that and sends the bill back to us with a message: We cannot accept this, and you will have to go so far as to change the very substance of the bill.

• (1650)

They agree with training for workers, Mr. Speaker, but they say we should get the $800 million from the taxpayers.

I would like to see whether they would be so favourable to the GST, because that is another way to get money. But we see how people do not accept it easily.

The Senate again wants to add to the taxpayers' burden. Tax them and train them! But what kind of people are they? What kind of management courses have they taken, Mr. Speaker, to say such things? As if we could go on taxing people indefinitely.

People's ability to pay is limited and I think that it is much more sensible administratively to take the same amount of money and apply it more innovatively where the real needs are. That is what we are doing. We take the same $12-billion fund and allocate $1.3 billion of it differently.

Besides, look at the people in that same party and see where they took our country in the 16 years preceding 1984. The debt went from practically nil to $200 billion. We now see how difficult it is to reduce that debt which costs us over $100 million a day in interest.

Mr. Speaker, I even think that we should put ourselves in the situation of Canadians who see what is going on now: a bill comes back to the House of Commons although the elected representatives had decided that it was the way to go and in their interest.

Imagine that you were a pregnant woman calling her MP's office and finding out that the legislation is still blocked. Pregnant women cannot benefit from the parental leave in the bill; maternity leave is going from 15 to 25 weeks, and even 30 weeks in case of illness. Imagine yourself in their situation!

Imagine the situation of people in Newfoundland, where the unemployment rate is over 15 per cent, who are now penalized. They have to work 14 weeks because the Senate is abusing its powers.

Imagine how all those people feel. Canadians are getting fed up, Mr. Speaker. I don't like to say it, but that is the situation we are in when we, the elected representatives, the lawmakers, are paralyzed by an institution that is no longer in tune with the needs of the Canadian federation.

I was just talking to you about tolerance in our country, because I am a French-speaking Quebecer. I was listening to the news last night and I saw a representative of APEC, the Association for the Preservation of English Canada, comparing us francophones, French-speakers, to AIDS.

How do think we like it, us Quebecers, to hear such things? On the subject of tolerance, have we not reached our limit yet, Mr. Speaker? How much more must we tolerate? How much longer must Quebecers and francophones accept to be treated the way they are being treated?

Mr. Speaker, I also noticed that Mr. Clyde Wells, the Premier of Newfoundland, a province of 500,000, is trying to drive Quebec out of the Confederation, while we are 6 million strong. Does he speak on behalf of Newfoundlanders or on his own, Mr. Speaker? How can that individual dare put the very survival of Canada in jeopardy by his revolting and uncompromising attitude towards francophones? "Sure, sure, you French-speaking people are distinct. We are not going to say so in the constitution, but only in the preamble." Who do they take us for, Mr. Speaker?

How can we accept indefinitely seeing another Premier, Mr. McKenna from New-Brunswick, who set the "whoops, I disagree with that bit of the Meech Lake

Accord" ball rolling, reject Quebecers? He is the one who bears the heaviest responsibility, Mr. Speaker, and it is imperative that he acts quickly in order to defuse an increasingly explosive situation which has Quebecers now saying: "We would almost prefer that the Meech Lake Accord not go through, just to show them who we are."

Mr. Milliken: On a point of order.

The Acting Speaker (Mr. Paproski): The hon. member for Kingston and the Islands (Mr. Milliken), on a point of order.

Mr. Milliken: I wonder what the connection is between the hon. member's comments and Bill C–21, which happens to be the subject before the House today, not Meech Lake or anything like that. I would therefore ask the hon. member to speak to the bill before the House.

[*English*]

The Acting Speaker (Mr. Paproski): I know the hon. member was getting to Bill C–21. The hon. member for Jonquière.

[*Translation*]

Mr. Blackburn (Jonquière): Mr. Speaker, I realize this may bother some hon. members, but when we are discussing a bill like Bill C–21, it is part and parcel of what is happening in Canada today. We have to see the whole picture, including a Senate that abuses its powers, this dictatorship of princes, this senator who went on a hunger strike. Now that was something to impress Canadians! Senator Jacques Hébert, outside the Senate Chamber on a hunger strike for Katimavik! Has anyone mentioned Katimavik to you lately Mr. Speaker? I haven't heard the word since the Senator ended his hunger strike. It seemed to be vitally important at the time, so much so that he was prepared to die in the attempt. Incredible! Today, all that energy would be channelled into worrying about what is going to happen on June 24.

It is all part of the same general picture, Mr. Speaker, of a word I would rather not use, the feeling of despair prevalent among Quebecers and Canadians who see that their elected representatives are no longer able to act on their behalf and pass the kind of legislation that protects the interests of Canadian men and women.

Furthermore, Mr. Speaker, some people have an enormous responsibility in this respect. There are only so many weeks left. I know I will have to stop my comments at five o'clock, since we must make way for Private Member's Business. Earlier, you suggested that I could go on after Private Member's Business, to finish my speech on Bill C–21. Unfortunately, Mr. Speaker, I cannot accept your offer since this evening we Quebecers will be meeting at Meech Lake to discuss the present situation, which is a very serious one, and I certainly intend to defend my people. The hon. member opposite can shout as much as he likes. I am a francophone and I am in Ottawa as an elected representative from Quebec. I also have to defend the interests of my province and the people in my riding.

Mr. Speaker, Bill C–21 is an excellent piece of legislation, which, as I said earlier, will allocate $800 million to training for workers; $600 million in new social benefits will go to various groups of claimants, and this legislation will also consider regional needs and regional unemployment rates. Instead of having to work for 20 weeks because the current unemployment rate is high, an employee in Newfoudland will need only ten week's employment. Elsewhere like in Toronto where jobs are more plentiful, they will have to work longer so that regional disparities will be lessened throughout the country. This is a good way to keep abreast of what is going on from one region to the next.

That is what this bill seeks to accomplish, and that is the bill about which the senators are digging in their heels, the same senators who sat on Bill C–22 on drugs, the same senators who said: Don't do that, it does not make sense, drug prices will skyrocket. Don't do that, it is not true, companies will cut down on research.

Look at the figures, Mr. Speaker. It is a fact that drug prices have not been rising as fast since Bill C–22 has become law.

Additional funds have been earmarked for research, hundreds of millions of dollars more than was spent before Bill C–22. That is just one example of what that institution has been doing. For partisan and political considerations, they are blocking the whole system. And when we talk about reform, constitutional evolution and changes, that is the kind of thing which must be changed. One thing I can tell my colleague is that after June 24 you will find it difficult to change things if ever Quebec

does not become a full-fledged member of the Canadian federation.

[*English*]

The Acting Speaker (Mr. Paproski): It being 5 p.m. the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

FISHERIES

LABELLING REGULATIONS

Mr. Raymond Skelly (North Island—Powell River) moved:

That, in the opinion of this House, the government should establish labelling regulations that would require the labelling of farm-reared salmon and steelhead prior to marketing, and regulations that would require labelling in restaurant menus, to permit consumers to select between wild stock and farm-reared salmon and steelhead in the market-place.

He said: Mr. Speaker, I am very pleased to have an opportunity to rise in the House to debate this motion this afternoon. It is a motion which I think is extremely important not only to Canadians but to anyone purchasing and consuming farm-reared salmon.

The rationale behind this is that a consumer should have the right to information and to informed choices about the type of food that is consumed. Another aspect of the rationale is that there is considerable reaction to the farm rearing of salmon and to the specific methods in which salmon have been reared, particularly on the coast of British Columbia.

By our requiring the labelling of these fish as to whether it is farm-reared salmon or wild stocks, it will allow the consumer to make a political choice. They can make a statement about their approval of government regulation and how the product that they are to consume is going to be available in the market-place. The bottom line is that I think every member of this House has an obligation to ensure that the consumer has the right to obtain the information about food which they are consuming. Without proper labelling that cannot happen and it basically deprives consumers of their rights.

The first issue is the quality of the product. There is a great deal of concern. In my own area and wherever I travel, people like to eat seafood products, particularly salmon and steelhead. Yet people are concerned in many quarters about the quality of farm-reared salmon.

Disease is a major concern. On the coast of British Columbia, salmon are raised in a very warm area in the Gulf of Georgia, in areas such as the Sechelt Inlet, where tidal exchange is very low and where the opportunity to cleanse the area and remove waste and detrimental chemicals which develop in it is very low.

Another concern about quality is the way net pens and farm-rearing operations are put in place. The large accumulation of waste beneath the pens is a matter of serious concern to people who live in the area, as well as people who consume the product. Net pens held in the same area in a very low tidal exchange accumulate large amounts of food and excrement from the fish held in captivity, as well as wastes from the rearing operation under those pens, and there is a great deal of concern that it can affect the quality of fish, both by removal of oxygen and by encouraging the growth of other organisms in the area.

Another concern as far as quality is concerned in the net pen method of rearing is that very large populations of fish are held, within a very close, confined area, constantly moving, and constantly under stress. That stress leads to greater disease and deterioration of the fish and anyone who has looked into a salmon net pen can obviously see the kind of reaction that is occurring with those fish. There is discoloration and various levels of activity in the fish. Generally there is an appearance of a deteriorated quality of fish in many of those areas because of the close, confining nature of net pens and the high stress levels.

Fish farmers are struggling basically with two major diseases; the kidney disease and vibriosis, which are fairly rampant in some quarters and cause a great deal of concern for fish farmers. In addition to the basic diseases that occur in the rearing environment, there is a concern about diseased eggs coming into the country, particularly with the Atlantic salmon that have been brought into areas on the west coast.

There is strong concern that eventually those diseased eggs from Atlantic salmon drawn out of Norway and Scotland will be transmitted to wild stocks and that the wild stocks will be decimated by the transmittal of those diseases. There is serious concern about both diseases in

the fish that are developed in the rearing environment and diseases that are brought into Canada via the eggs that are used in the Atlantic salmon from Norway, Scotland and the east coast.

The next matter in terms of quality is the use of antibiotics in the treatment of common diseases in fish. The antibiotics placed in the food are basically broadcast into the populations of all farm reared salmon. The most prominent antibiotics are oxytetracycline of which about five tonnes is used annually and is growing every year as more and more fish farms come on, and sulfamerazine which, again, is a great concern among people who are consuming that. There are indications that the oxytetracycline can last up to 100 days in the stock and there is no guarantee that the fish from the last point of kill to the table is going to be free of antibiotics in the flesh.

Consumers have a right to know. There are people with allergies to antibiotics and if the farm-reared fish are being treated for diseases with antibiotics, they should have the right to know that they are eating farm-reared fish and they run the risk of being exposed to these antibiotics.

Another concern about the use of these antibiotics is that as the food drops to the water bottom it is eaten by the creatures that live there and it seems that antibiotic resistance disease strains are developing. These disease strains, whether they are eaten by wild stocks in the area, or are transmitted from the farm fish to the bottom life and into the wild stocks, combined with the antibiotics, result in the decimation of the wild stocks.

The next element of quality is the chemicals that are used in and around the rearing operations where the farmers are concerned about the build-up in the nets of seaweed and barnacles and other foulants in those nets. They treat those nets with chemicals in order to remove the fouling agent. What we have had in the tributyltin issue is a very dangerous, cancer causing chemical that can be transmitted into the flesh of the fish. Luckily that one has been identified and removed, but there is still a great deal of concern about anti-fouling chemicals that are still being used in the net.

• (1710)

Government regulation of this industry is viewed as being hopelessly inadequate. People at the policy level of the department are assigned second and third priority levels for policy formulation. If they finish their first area of responsibility and their second area of responsibility, they can then move into giving serious time to aquaculture.

The government does not provide the agencies with the resources to do an extensive study of the regulation, particularly when it gets down to the field level for such things as imposing regulations on the development of fish farms. Three years ago there were about 70 fish farms on the coast of British Columbia. By the end of 1989 there were 210 fish farms on the coast of British Columbia with 200 more licences under application and review. The growth of this has been like a gold rush operation and the government, instead of attempting to provide some direction through regulation, policy and enforcement—

Mr. Epp: What have you got against gold rushes?

Mr. Skelly (North Island—Powell River): The former Minister of Health stands up in the House and asks what have I got against gold rushes. Of course, nothing. But ultimately when the finished product runs the risk of poisoning you, the more there is, the greater the concern in the population.

I know his concern will result in the minister and the government pressing on for this motion which simply gives rights to consumers by requiring a label for farm fish in a restaurant or in any other area where it is to be consumed so that consumers could have the right to make an informed choice about the type of product they eat and the quality. I am certain that the former Minister of Health in this Parliament would be one of the leading spokespersons to advocate that.

At any rate, we were talking about basically the quality of farm-reared fish. We have discussed the problem of disease, antibiotics, the effect of stress on close confinement, the build-up of detritus under these pens that contaminate the bottom life with antibiotics and poisonous chemicals, which can then be transmitted to the population of reared fish as well as wild stocks.

The issue of quality is a serious one. As we move away from the rearing environment to looking at the quality of fish itself, there are a number of schools of thought.

Some say any fish is a good fish. But there are people who are very concerned that the quality of farm-reared fish may in fact be substantially less due to no examination of the product. There is no attempt to impose quality control by government regulation. There is no attempt to systematically check it for content of antibiotics or diseases. The government must look at that seriously if farm-reared product is going to enjoy the same credibility in the market-place as wild stocks.

There has to be an initiative by the Government of Canada and the Government of British Columbia or other provincial governments in terms of a partnership arrangement where these kinds of standards can be developed and the testing facilities can be brought to bear in a way that will give the consumer confidence.

Another serious concern is with what the industry refers to as morts, and the possibility that a fish dying in the pen can end up in the production process. This has been documented on a number of occasions, where individuals who have been less than scrupulous in the business have wound up putting through dead fish into the production process.

Again, it may only happen very rarely but it gives the entire industry a black eye. Ultimately there is no guarantee that that will not happen. There is no indication of how broadly based it is.

Perhaps an indication of the extensiveness of this problem of dead fish being removed from the pen due to disease and the stress in the environment in which they are reared is the landfill site on the Sechelt Peninsula. It has had a constant struggle with the volume of dead fish being loaded into their landfill site. At various times they have risen up in arms against the producer saying that they are going to have to deal with it themselves because the site will not handle the volume of dead fish that is going in there.

The possibility that some percentage of those dead fish are not going into a landfill site when they are removed from the rearing pens but go into the production process and wind up on somebody's plate becomes quite frightening. This raises the whole problem of control through a credible inspection process so that type of thing does not happen.

The rationale behind this proposal is that quality is of primary importance. People should have an opportunity to make an informed choice about what goes on their plates and into their bodies. There is enough skepticism in the business about the quality that people would like to know in order to make the choice. If that product were labelled, it would put a market-place constraint on the industry so that they would attempt to upgrade all the members in it and the entire process, to assure the customer they were getting the finest product available.

The second point in the rationale was the opportunity of a consumer to make a political choice in the market-place. The government in power believes in the sanctity of the market-place to choose the nature of production and consumption. Why does the government not give the market-place the opportunity to determine the quality and the nature of production and consumption of aquaculture or farm-reared fish?

The mechanism might be simply by labelling farm-reared fish. It would allow people to choose between wild stock and the farm-reared fish. If people have confidence in the industry and they see developing quality controls, they would then begin to choose farm-reared fish, or at least give it equal billing with wild stock. In the absence of that, certainly they are not able to choose in an informed way and the rights of the consumer are being violated as are, to some degree, the rights of the fishing industry.

There is the political aspect of the choices. The way in which this industry has developed has raised serious questions with the people who live along the coast of British Columbia and certainly those who consume the fish in other areas.

The first one is the abuse of the rights of upland owners. On the Sechelt Peninsula we have seen situations where people who live along the beachfront woke up one morning to find a fish farm right smack in front of their homes and their upland operations, denying them basic access to the ocean and affecting the basic quality of the property they paid good money and high taxes for over the years.

In many cases, this is not even the dilemma of the fish farmer. The fish farmer simply took an opportunity provided by lack of government regulation to drop his fish farm right smack in front of an upland owner's operation. People along the coast of British Columbia are absolutely incensed at where fish farms have been located or proposed on prime recreational land. They were talking about Tree Island off of Denman Island, Sechelt Inlet or Wood Bay. The upland owner's rights have been violated. If we label farm-reared fish, the consumer would be able to make a political choice, by

saying "I do not approve of this, and I will not buy the product".

I see that there is a minute left. The gold rush mentality of the government is to refuse to regulate in a rational way the development of these fish farms. It has taken a great deal of trial and error and still has a long way to go. The government's unwillingness to provide decent, fair and equitable regulation to this industry to protect consumers and protect upland owners could certainly be compensated for if the consumer could make a choice and say: "I would prefer not to eat that fish because I am uncertain of its quality and because I do not like the way that industry is operating".

• (1720)

Mr. Stan Wilbee (Delta): Mr. Speaker, it is a pleasure to be able to talk on this subject with the hon. member's introduction of the situation. I only wonder whether it is a desire to limit the labelling of the fish or whether it is an attack on the aquaculture industry. I think that we need to recognize, when we are talking about this industry, that it is not just a new industry but one that has been around in the world for a long time. There are fish farms in the Orient and in Scandinavian countries and recently, in the last few years they have been coming into Canada and now spreading to the east coast of Canada. Aquaculture has become a very significant factor in our Canadian economy.

I think it is regrettable that we have to discuss this whole matter in such a negative manner. I am sure that the hon. member for North Island—Powell River has a lot more in mind than this simple request to establish labelling regulations for farm-reared salmon and steelhead prior to marketing.

The motion also states that the regulations should be established to require labelling in restaurant menus to permit consumers to select between wild stock and farm-reared salmon and steelhead in the market-place. I am sure that he has been in many small restaurants throughout Canada and recognizes that they just cannot afford to carry two types of salmon and a couple of types of trout or steelhead to give the customers choices. Rather, they are going to select the one which they feel is the best quality. Labelling menus will have no value and no effect whatsoever on this.

There is just no rationale at this stage for the government to introduce regulations of this type. We believe that the fewer regulations that governments impose upon industry and business the better off it is. If they are necessary, fine, but to establish regulations just for the sake of having a regulation and more red tape is of no value to the industry, to the public or to the government.

Of course, why should we request that the aquaculturists have labels while not traditional fishermen? If the member is concerned about quality, we need to recognize that all of the fish that are produced for the market are inspected. They all go through the same inspection process. They are graded according to quality and size. Certainly any diseased product is not allowed on the fresh market. I believe that in many cases the farm-reared fish have some advantages in quality.

Also, we need to recognize that many of the species that are sold on the market, such as shrimps, can be of mixed stock. They can be of wild stock, or they can be of cultured stock, this has never presented a problem anywhere that we are aware of in Canada.

I would suggest that the motion to label the cultured salmon and steelhead is really out of touch with reality. If the hon. member felt it was that important, why would he limit it to steelhead and to salmon. We have other trout, for example, that are raised commercially. We have oysters, for example, that can be raised by farmers, as well as the wild stock. If we were going to consider labelling the salmon and steelhead then we should, of course, do it to all fish products.

Again, why force the aquaculturists to label their products when we do not make the same request of the traditional producers? For example, the difference between a seine caught fish that has been in the bottom of the seine net for some time or a gill-net fish compared to the trawl caught fish off the west coast is probably more significant than the difference between a freshly harvested salmon from the fish farm.

We also recognize that the time between when it is caught and brought in to the processing plant is very significant in the quality of the fish as well as how long it has been in the freezer. We can talk about the quality of

fish and how it deteriorates after being in the freezer over a long period of time.

The fact is that labelling would not help the consumer because the label indicating whether it is a farm fish or a wild stock fish will not accompany the product to the table in the restaurant. My understanding is that the federal government cannot require restaurants to establish this type of labelling on the products.

We did talk about the choice of fish and even now in many fish stores there is a choice of farm fish or wild stock fish. We already have the opportunity, in many instances, to choose what type of fish we buy.

Since the health and safety of fish and fish products are insured by the government's excellent inspection system, the consumers of Canadian-bought fish can be confident that any fish product they do buy is of high quality. The industry itself has a quality assurance program and maintains standards of excellence. It would be a disaster for them to have a bad product put on the market in their formative years.

Speakers have mentioned the fact that large quantities of these fish have been put in landfill sites. This would indicate that they are maintaining that quality and not marketing fish of inferior quality.

The aquaculture industry in Canada is a rapidly growing dynamic industry. It has been adding millions of dollars to the Canadian economy each year and is providing thousands of jobs for Canadians. It has been suggested that the total annual production from the aquaculture industry will soon exceed $100 million, and much of that in British Columbia from where the proponent comes. Aquaculture is becoming a more and more important component of Canadian fisheries.

When we consider some of the significant problems that many of our fishing communities are facing, we see that aquaculture development could soon become a very interesting avenue to enhance our fisheries and to provide employment in these areas which, during the winter months, have very severe unemployment problems. With the wild stocks declining as a result of any number of causes, aquaculture can certainly provide an alternative for the economic activity and for the job creation which we require.

It has been shown that it is only with a great deal of difficulty that we can increase those wild stocks, yet there is an increasing demand for the salmon and the trout that we produce. Therefore, I believe that the aquaculture industry does have a real place in the market and it has a significant potential for further development if it is allowed to develop. We do not want to put any unnecessary obstacles in its way.

The Food and Agricultural Organization estimates that the world aquaculture production will more than double its present level of 10.2 million tonnes by the year 2000. That is a tremendous source of food in this world that is rapidly running out of food. The aquaculture share of the total world supply for fish, crustaceans, molluscs and marine plants will increase from about 15 per cent in this year to about 25 per cent in the next 10 years. I think that is a very significant increase providing valuable protein to our world's diet. In many countries fish are the only source of protein available.

As Canada is a major exporter of fish products, with something like 80 per cent of all our fish being exported from British Columbia, we must develop the aquaculture sector and not impose further unnecessary regulations upon it. We must pursue already existing programs to support this young and healthy industry.

I believe that the best control is a free market in which, if you have a superior quality product, you can advertise it, whether it is the troll-caught salmon off the west coast or the fresh farm-raised salmon that you are going to have for Christmas dinner. I believe that these are the types of things that are going to create a healthy industry. We must not saddle it with unnecessary regulations. Therefore I cannot support the motion as presented at this time.

• (1730)

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, as associate fisheries critic, I should like to take this opportunity to support the motion presented by the hon. member for North Island—Powell River. As the House is aware, the Liberal Party founded the Department of Consumer and Corporate Affairs. In our present ranks we have five former ministers of the department, the first of which was the right hon. member for Vancouver Quadra. The main right that the Liberal Party strives to uphold in these matters is the right of the consumer to make an informed choice.

We believe that this issue deserves to be studied to determine what benefits can be derived from separate labelling for the consumer.

My support for the motion stems from the fact that there are many things in the aquaculture industry of which we are unsure. This pertains to all parts of the industry, not the least being salmon farming. The following are some of the reasons we in this party endorse further study.

We believe that the consumer should have a choice between two types of salmon. Wild salmon and domestic salmon are different as surely as geese both wild and domestic are different. A consumer has the right to know what the product really is and what effect it will have on him or her.

Regulating the aquaculture industry has also been inconsistent throughout the country. The rules vary from province to province, ranging from stringent to lax standards and regulation enforcement. Perhaps it would be in all consumers best interests that labelling be as precise as possible, given that standards vary widely within the aquaculture industry itself.

The use in antibiotics in the salmon farming industry is another reason for supporting the further study of different labelling. In 1987 it was reported that British Columbia salmon farmers lost between 20 per cent and 60 per cent of their stock to bacterial kidney disease. Antibiotics were used to treat the disease which scientists say is caused by overcrowding in the pens. In Europe scientists have discovered that antibiotics can remain in fish flesh for up to 100 days. No studies have been conducted to determine what effect aquacultural antibiotics can have on humans. Regulations for the use of antibiotics have also been spotty at the best of times. This is probably due to the fact that their use is primarily experimental. Furthermore, the impact of antibiotic treatment of disease is poorly documented and the results are questionable.

If indeed these antibiotics remain in the fish, they could easily pass on to the consumer. The non-farmed salmon are drug free. Proper labelling may be important to those people who have reactions to these drugs. It was with this in mind that the Standing Committee on Fisheries and Oceans concluded in its report of July 1988 the following recommendations:

Recommendation 6(A), to conduct research in support of regulatory requirements regarding residues in aquacultural products, with the objective of assessing the potential effect on human health and that of the marine organisms.

Recommendation 15, that the federal government in co-operation with all industrial sectors involved in producing salmonid species for the consumer markets develop labelling standards.

Concerns have also been raised regarding the fish excrements which accumulate in and around the fish pens. Further study should be given to the potential effect this could have on the health and quality of the fish. Wild salmon migrate to different areas during their life span and therefore this is not a factor in their health. It is known, however, that diseases are present in fish excrements, but it is not known if these diseases can be transmitted from it. Clearly this issue needs more study.

With respect to nutrition it has been shown that the fat content of farmed salmon is higher than non-farm salmon, while the nutritional value of non-farm salmon is slightly higher. Consumers who are diet conscious will certainly appreciate a distinction between the two types.

To conclude, Mr. Speaker, as I have clearly demonstrated, many areas need further research to ensure the protection of all Canadian consumers. Furthermore, we believe that all Canadians have the right to make an informed choice. Consequently I support the motion that further study into the labelling of salmon is required.

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I am pleased to rise today to deal with the motion moved by the hon. member for North Island—Powell River (Mr. Skelly), and I hope that my comments will reassure Canadian consumers about the close watch the Department of Fisheries and Oceans is keeping on the fish farm industry, as well as the industry's responsibility and the quality of its products.

Mr. Speaker, the federal government has jurisdiction over coastal fishing, certain in-shore fishing, public harbours as well as off-shore and in-shore navigation. These powers, defined in the Constitution, are the responsibility of the Minister of Fisheries and Oceans. This is the only federal department whose activities deal mainly with our waters and their resources.

[*English*]

Through its ongoing programs the Department of Fisheries and Oceans provides support to the aquacultural industry in a number of areas. For example, the science sector of Fisheries and Oceans conducts research and experimental development, undertakes collaborative research with industry, provides disease diagnostic services, operates fish hatcheries and fish culture facilities, and develops protocols for safe interprovincial and international stock movement and for the introduction of new genetic resources. The degree of assistance varies by region.

In the area of fishery management the department conducts habitat reviews and, in some instances, supplies a limited numbers of eggs and smolts to the industry. The department also supports aquacultural development projects in eastern Canada, particularly under regional development programs, and undertakes licensing in some areas of Canada.

Other services that Fisheries and Oceans conducts for the benefit of the aquaculture industry include implementation of the national fish inspection program, provision of relevant market intelligence and analysis to other governments and to industry, and the promotion of Canada's interest in the fisheries trade throughout the international community.

[*Translation*]

Some other federal departments implement a whole slew of programs most of which are national in scope and are accessible to fish farmers. The purpose of most of these initiatives is to promote research and development, economic and business expansion. These may also benefit from tax incentives.

The Department of Fisheries and Oceans is recognized as the federal department responsible for fish farming. It has developed a two-pronged strategy to assume its responsibilities. Firstly, in co-operation with provincial governments, to take steps with a view to ensuring the orderly development of the industry, and secondly to carry out programs and activities in support thereof.

In response to representations made by the industry, the various ministers of fisheries in Canada have agreed to intensify the federal-provincial coordination to ensure the orderly development of the fish farm industry in Canada. They agreed, and their proposals were adopted by the first ministers in 1986, that memoranda of understanding on the development of fish farming should be negotiated between the federal government and each individual provincial government.

[*English*]

A memorandum of understanding is meant to serve two purposes. First, it establishes a joint agreement and understanding of federal and provincial administrative responsibilities for regulation, while reducing the overall administrative and legal burden on the industry. Of particular interest is the move to establish one stop licensing and leasing of commercial aquaculture ventures.

Second, it sets out a co-ordinated and co-operative approach to government support for the industry. This approach is important, given the concern of certain interests with respect to aquacultural development. A memorandum of understanding outlines the respective roles of the federal and provincial governments in areas such as research and development, education, training, leasing and licensing, fish health, stocks and statistics.

• (1740)

The federal government has to date signed memoranda of understanding with the Northwest Territories, Nova Scotia, Quebec, Prince Edward Island, Newfoundland, British Columbia and New Brunswick. Negotiations are under way with other provinces and the Yukon.

[*Translation*]

This bilateral approach also serves to recognize the particularities of each region and its fish farm industry.

By supporting this industry, the two levels of government are seeking the same objectives, namely, to diversify the production and improve the quality of fish products in Canada, as well as improve the regularity of commercial fish supply both in Canada and abroad.

[*English*]

All our goals in support of the aquaculture industry are based on a number of principles, and the principle of first order must be a clear and comprehensive regulatory framework. This implies joint responsibility, in fact co-operation to ensure that we maintain a balance between regulation and development. Over-regulating

this industry would only lead to limiting its potential in a very competitive market.

Aquaculture is a young and dynamic industry which needs government support. This support is already in place. Fisheries and Oceans is working to develop a positive environment conducive to the evolution of a world-class aquaculture industry.

The Canadian aquaculture industry has made considerable progress in establishing a widespread reputation for high quality seafood products. Fisheries and Oceans is working with the industry and the other levels of government to meet the challenges and opportunities for this industry to become a world leading nation in aquaculture.

Compulsory labelling of the aquaculture product is not required; furthermore, it probably would not work out as too many loopholes would inevitably occur. Because of its critical self-interests, the aquaculture industry is doing its utmost to guarantee the quality of its products. With one of the finest inspection programs in the world, Canada is assuring consumers that the products of all our fisheries meet some of the highest standards of health and safety in our country and abroad.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I was disappointed and somewhat surprised to hear the remarks of the hon. member for Delta. I wondered whether he was reading the same resolution that I was and that the hon. member for North Island—Powell River introduced. He seemed to be talking about a different subject entirely.

The resolution introduced by my colleague from North Island—Powell River clearly states:

> —should establish labelling regulations that would require the labelling of farm-reared salmon and steelhead prior to marketing, and regulations that would require labelling in restaurant menus, to permit consumers to select between wild stock and farm-reared salmon and steelhead—

In his remarks the hon. member said that this was over-regulating the industry, that we should depend on the market, and that we should let consumers make the decision as to whether they want the wild stock or farm reared.

That is precisely what the resolution asks for. It is exactly what he wants. He wants consumers to know what they are buying. They make the choice. They may decide they want farm reared or they may decide they want wild. The reasons may be totally ill informed or uninformed, but nevertheless the argument is that they should have that choice.

I suspect all members have had people in their offices as I have who have argued that the flavour of the wild stock is so much better than the flavour of the farm reared. There may be others who would argue the other way. I do not know if it has something to do with my age or the way in which I have conducted myself in the past, but frankly I cannot tell the difference. Nevertheless, there are consumers who say that they can tell the difference.

All the resolution is asking is that they know which one they are actually paying for when they buy it and whether they are getting the one they are paying for. There are some who will argue that the nutritive value of the farm reared as opposed to the wild stock is better, and others will argue that the wild stock is better.

I have heard these same arguments and participated in similar arguments with respect to organically grown food and food grown with inorganic fertilizers. I know enough about it to be satisfied in my own mind that there is no difference from the point of view of nutrition.

However, we do not tell people that they are not going to know what they are buying. Certainly organic food is clearly labelled in most instances as such, and consumers pay more for it because they believe that it tastes better or that it is better from a quality point of view. They have the right to make that choice. They have the right to pay for the difference if they want to. That is all that my hon. friend is asking for: the right for people to know what they are buying when they buy it.

The hon. member for North Island—Powell River mentioned that the environment is quite different. Wild stock is raised and spends a good deal of its life in much colder water. It selects the food that it eats. It ranges over thousands of miles in its growing process, so there is quite a difference in the food that it is getting. I do not say that that makes it any better or any worse. I am simply saying there is that difference.

They do get a lot more exercise. Because of the cold water and the exercise the flesh should be firmer. Again, I do not know whether that makes any difference but you and I, Mr. Speaker, should have the right to know when we are buying salmon or steelhead whether it was raised

in a little puddle of water in a pen or whether it was raised in and allowed to range the wild ocean.

There is a lot of talk about disease. Certainly Canada is doing everything it can to maintain the quality of farm reared fish and animals alike. We do not know whether we are doing everything that has to be done but we are working at it. We do not know the stress factor. Certainly we know that with 295 of us in this House sometimes the stress is much greater than when there are not quite as many of us here. When those salmon and steelhead are crowded, as I say, in relatively small puddles of water, there is a great stress factor. Does this make any difference? I do not know, but again the consumer should have the right to know what he or she is paying for.

Farm reared fish should be cheaper to produce. They are not because of a lot of problems they are having in the industry in many cases. Nevertheless, they should be cheaper. Farm reared fish should not be sold at the same price as the wild stock. If consumers are getting a product that is being produced more cheaply, they should pay less for it and know what they are getting. They should not be paying top prices for fish that are produced more cheaply when they think they are getting wild stock fish.

The hon. member for Delta was concerned about over-regulating and about the imposition on the industry of having to label. All we are saying is that it is a different product. Whether it is nutritionally different, I do not know. Whether the flavour is different, I do not know. I do not know in what ways it is different, but there is no question but that it is raised in a totally different environment under totally different conditions. There may be questions of flavour and nutrition. If this resolution is supported by the House and acted upon, individuals will know exactly what they are paying for.

I agree with most of what the member for Delta said. Let the consumers make the choice, but they can only make it if the product is labelled so that they know what they are buying.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, it is a pleasure to rise and participate in this discussion today about the very dynamic and young Canadian industry of aquaculture. I compliment my colleague, the hon. member for North Island—Powell River, for bringing this important subject before the House with his motion M-546. I suppose I should apologize for my voice. Hopefully it will hold out to the end.

At a time when the global market-place is posing challenges for most resource based nations, Canada is in a very exciting position with its new resource which has enormous potential. We have seen tremendous growth in aquaculture in Canada over the last 15 years. Indeed from 1984 to 1987 we saw a 17 per cent increase in the industry representing today a $50 million industry in Canada. Forecasts suggest another 1,000 per cent increase by the end of the decade which we have just begun.

A combination of factors has fuelled this expansion: the growth of world-wide demand for seafood, the need to meet this demand with production from new sources such as cultured fish, the increasing reliance by fish processors on aquaculture products which they see as a dependable year-round source of quality seafood, and a widespread recognition of the high quality of Canadian cultured seafood products already regarded as a major source of increased domestic and international supply.

• (1750)

Atlantic Canada plays a very full part in this well established aquaculture industry. We have salmon, trout, mussels and oysters, and we are now diversifying into scallops. Nova Scotia is a leader in the area of aquaculture having as well developed Irish moss as an area within aquaculture.

As of 1988 aquaculture has directly produced some 1,500 jobs in Canada and it is anticipated that by the year 2000, 5,000 Canadians will be directly employed in the aquaculture industry. This is a part of the tremendous work in job creation that has gone on in the last five years in this country. Not only is direct employment significant in aquaculture but indeed indirect employment has come through related industries and the production of the necessary equipment.

We need to make more progress toward producing all the necessary fishing equipment here in Canada. That can have a tremendous impact on job creation as well. I speak of building cages, equipment, netting manufactur-

ing, feed processing and services in the area of marketing distribution and fish health just as some examples.

There is also a potential down side in aquaculture and we must be very careful in its further development. A number of public concerns have been brought to my attention as a member of Parliament from an area in which there is considerable aquaculture development. People owning adjacent properties have a very active concern in whether or not an aquaculture site is located just off their properties.

Indeed there has to be approval under the Navigable Water Protection Act, but at the same time it seems to me that people who own properties adjacent to the ocean should have a somewhat more significant say in whether or not licences are approved to develop aquaculture right off their own properties. I can relate to this as I live on the ocean myself. There is definitely a need for public consultation on every single aquaculture application that takes place.

There is concern with respect to the impact of aquaculture developments on traditional fishing. For example, earlier this past fall there were applications to develop some aquaculture sites for mussel development near the town of Lockeport in Nova Scotia. This would potentially interfere with the lobster fishery in that area and very legitimate concerns were articulated by the fishermen who have fished there for many years.

We have to be very careful in the development of this industry which at a time when our fishery is facing difficulty has tremendous potential for job creation and the creation of wealth.

One thing that I think is highly significant about aquaculture is that it is an industry that is resource driven. We find out what the market wants and then we develop a means to produce what is required.

It seems to me that this is one of the areas in which we have been falling down in the development of the fishery in Canada. We tend to go out and catch what is there and worry later about whether or not anybody actually wants to buy it, or indeed whether it is commercially viable. We hear much talk in the House about fish allocations that are either left in the water or made available to foreign nations whilst ignoring the fact that we cannot force Canadians to go out and catch fish for which there is no market, or for which they cannot make a reasonable profit or return on the investment that they have made in order to harvest those fish.

We have to continue to look to the future in terms of market development, and aquaculture provides a marvellous opportunity for developing new sources of fish as well as the development of secondary processing of it.

My hon. friend's motion deals specifically with salmon. Aquaculture has been one means whereby we have rekindled the trout industry and the salmon industry in southern Nova Scotia, the area which I have the privilege to represent in this place. We have seen some very successful experiments taking place. My hon. friend from Nanaimo—Cowichan spoke earlier of the differences in the flavour of the meat and the environmental factors that can come into play.

While on the one hand there is the potential for a response to market demand, at the same time we have to recognize that we have a better opportunity of assessing the possibilities for future harvesting because it is a bit more like farming: you know what you are planting and you know what you are going to harvest.

However, we are still subject to vagaries of the environment. That is why environmental protection is so important. The Environmental Protection Act brought forward by this government during the previous Parliament will play a very important role in allowing us to develop an aquaculture industry. We are safeguarding our coastlines and ensuring as best as possible that our oceans will remain clean so that they can produce as much as they can. I am very encouraged to see this Parliament discussing the subject of aquaculture and its potential.

With respect to the specific motion brought forward by my hon. friend, while there is a certain inclination on my part to agree with the sentiment implied in his motion, I have, with all due respect, some reservations as to the wisdom and potential benefits of further regulating an industry that some would suggest is already over-regulated to an extraordinary degree. I believe—and I think that it is consistent with the philosophy of this government—that government's role is to support and to assist but not unnecessarily to intervene in the carrying on of business and in the exploitation of our Canadian resources.

It seems to me that to do as this motion suggests, to impose mandatory labelling of cultured fin fish, is unwarranted for a number of reasons. First, I think it is clear that the quality of the product that we are producing through aquaculture is very high.

For example, in Nova Scotia mussels have become a very big industry. When I was a child in Hubbards we did not even use mussels for bait and yet today they have become one of the delicacies of the Atlantic fisheries. I would suggest that a lot of the people who eat mussels cannot tell the difference in taste between a cultured mussel and a wild mussel, though the cultured ones tend to be of a more consistent size.

The industry is also already highly regulated. Goodness gracious, everybody involved in the fishery knows how highly regulated it is. I am not sure we need to add to that. Enforced labelling would be an administrative nightmare, I would suggest. I do not think we really need this sort of thing, not to mention an added cost with no value added benefit from the point of view of the consumer. I am not sure people wish to have prices added on to things that are already very costly.

While I can respect the sentiment put forward by my hon. colleague opposite, I would much prefer to see the money that would go into administering the bureaucratic system which would have to be set up put toward research. We know the outstanding record of this government and this Prime Minister with respect to research.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I cannot follow that up in that I have such a little time, it is such an important issue and there are so many things I would like to say.

The motion points out one of the real challenges we have and will have in the next number of years as we manage the fishery, as we deal with fisheries development, as we deal with economic development in the fishery, and as we deal with the questions of markets and developing new species and new products. That is the problem that we face, perhaps being victims of our own success potentially in the longer term, as we have to compensate for and balance the success of aquaculture and the success of farm reared, or ranched as some call it, fish as compared to the wild fish that we catch and that our fishermen have traditionally depended so much upon to earn their living.

As I am sure my hon. friend from South Shore is well aware, we face competition from ourselves. We face competition from our own success. As we look at aquaculture as a secure, predictable, dependable way to produce fish of size, of consistency and of some purity, we will come in competition with the people in the fishing industry who depend on the wild animal, who have traditionally had to go out and catch, bring back, produce, develop our markets and sell.

My hon. friend's motion comes directly to that point. We are beginning to see the products of aquaculture. Mr. Speaker, I am just getting started.

The Acting Speaker (Mr. Paproski): I regret to interrupt. I would love to hear the hon. member's speech, but the time provided for the consideration of private members' business is now expired.

Pursuant to Standing Order 96(1), the order is dropped from the order paper.

GOVERNMENT ORDERS

• (1800)

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND—NON-CONCURRENCE IN SENATE AMENDMENTS

Resuming debate on the motion of Mr. Andre, in relation to the amendments made by the Senate to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act; and on the amendment of Mr. Gauthier (p. 9099).

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it gives me great pleasure today to enter the debate on Bill C-21. I would like to spend the majority of my time talking about the government's contributions, the variable entrance requirements and, if time allows, the penalties that are being imposed on those who are unfortunate enough to have to quit their job.

I listened to some of the members opposite speak on Bill C-21. They did not talk about bill itself. What they talked about is that dreaded Senate, that other place, and the fact that it has no right to be sending amend-

ments to this House for us to consider. It would not have been necessary for the Senate to send amendments if this particular government had the courtesy to allow us to debate this issue more fully and, therefore, the time to propose our own amendments.

One of the things that this government has continually said is that this legislation is better than the one we have presently in place. That is something that I take exception to, for the simple reason that if $2.9 billion is removed from the system and the government itself states that by the year 1992 it will be in a deficit position of $3 billion, what does that tell you? It can tell you only one thing: there are other objectives and other reasons for this particular piece of legislation.

This legislation is there for one reason and for one reason only, and that is for this government to get out of the business of supplying this particular social safety net for the workers of Canada. There are no other reasons that a government would put a particular program of this magnitude in jeopardy by the year 1992.

Perhaps it would be interesting for the people at home to note that in 1992 there will be another election. The people on this side will likely have the mess of trying to do something with this particular bill, if it is so unfortunate that it be passed.

If this piece of legislation goes into effect, there are going to be some ramifications for the working men and women of this country. The most important one, the variable entrance requirement, relates more specifically to the have-not regions of Canada. The variable entrance requirements were put there simply because this country has a difference in economics. Not all regions of the country are the same. My hon. friend across the way would say that Newfoundland has greater economic difficulties than northern Ontario. Those residents of northern Ontario say to me on a regular basis that their economic situation is much different from that of Toronto. Those in southern Ontario would say that their situation is a lot different from that of Montreal, Vancouver or Halifax.

One of the largest cornerstones of this particular social safety net is the variable entrance requirement. The variable entrance requirements are something that Canadians and governments in the past have put in place because there are different regional unemployment conditions due to economic situations in the various regions.

For example, northern Ontario, is considered to be a resource-based part of the country. Forestry, tourism and mining are the three important resource-based industries that make our economy grow. What happens if you take one of these large pieces of the puzzle out of the picture, Mr. Speaker? You get mass unemployment. There are no other jobs to go to. In Montreal, if a plant closes down, a worker with the correct training can go down the street and find the opportunity to get another job. In northern Ontario, as in Newfoundland, New Brunswick and Nova Scotia, when you lose your job in a single-industry town, you are stuck. You need a social safety net, the type of program which will allow people to keep their pride as Canadians, which will allow them to get by that cyclical problem which occurs in regions where resource-based industries are located. Those are called seasonal jobs. We all have them in our areas.

The issue is that there are those who do not accept the fact that Canada is the same no matter where you live and that these variable entrance requirements have to be maintained and remain in place.

Let us take a look at what is going to happen with this particular bill as it relates to the variable entrance requirements. Under Bill C-21, instead of a requirement of 10 to 14 weeks, it would be 10 to 20 weeks. Regions of 6 per cent or less require 20 weeks, while regions of more than 15 per cent would retain a minimum entrance requirement of 10 weeks.

The regional benefits, under Bill C-21, would affect northern Ontario claimants in that every time they make a claim for unemployment insurance they would lose 13 weeks of benefits. When you take that into a small, unpopulated area like northern Ontario, and in particular, the riding of Kenora—Rainy River, that simply takes $3 million out of the economy. That is a quick figure of $3 million. When you do that, there are some ramifications. I think that members opposite who are not fortunate enough to live in areas with the beauty and magnitude of northern Ontario, New Brunswick and Nova Scotia, should think twice before they vote in favour of Bill C-21, because it will change the way people in the regions of Canada look at themselves. Let us take a look at what the situation is.

One of the things to consider is the effect of this particular change in the unemployment insurance program. Under the proposed 62-regions system, which would go into effect under Bill C-21, claimants in 45 regions would require more than 14 weeks of insurable earnings based on seasonally-adjusted three-month average of unemployment rates for the month ending November, 1989. Only in eight regions would the minimum 10-week entrance requirement apply. Under the old VER rules, the minimum would have applied in 32 of these regions. Therefore, this particular bill will affect 150,000 of our constituents in a short period of time. That is an enormous change from the old bill.

• (1810)

One of the effects of that will be the shift to welfare. We talk about the fact that once people cannot collect unemployment insurance, they have certain alternatives. They can either move or look for other means of having dollars to support their family. If they cannot get employment in their particular region, or because of their economic situation as an individual cannot afford to wander off to Toronto or Montreal or some other area where perhaps the unemployment rate is not as high, what choice do they have? Their choice is welfare.

They will go to the municipality and the province and simply say: "You'll have to look after me". I say that that is not acceptable. I say to the Government of Canada that we have an obligation to the people we represent to maintain a system where people feel comfortable as Canadians. Therefore, when times are hard, we will be a caring and loving society and look after them.

We cannot simply say: "Move to Toronto". People in northern Ontario do not want to live in Toronto. We cannot afford to live in Toronto. Housing is so expensive that no one would want to move there at this time to try to make a fresh start with a young family. For all intents and purposes, perhaps they do not even have a job to go to at first and have to hunt for a job. The rent is so high, a move is not feasible. So what choice do they have?

For the government to state that the changes in the unemployment insurance system, the variable entrance requirements, are an improvement to the old bill and therefore putting forward this new legislation is going to be an improvement, is rubbish. We all realize in this House that there are other reasons for this particular piece of legislation being put in place.

I find it very difficult to go back to my constituents and say that we have revamped and improved the unemployment insurance program. It is very difficult for me to say to my constituents that it is improved when I know that on average a person in northern Ontario will have 13 weeks less of insurance that he or she so badly needs in those areas where you find natural, resource-based industries which in certain periods of the year cut back and put people out of work.

There is another area of importance in northern Ontario. I am speaking of the unemployment situation of the native people there. Native people, historically, have a much higher unemployment rate than people in the non-native communities. In my riding, I represent roughly 14,000 aboriginal people. Those people have rates of unemployment ranging from 40 per cent to 90 per cent, depending on the community.

The government makes it more difficult to collect unemployment insurance in those regions. Once, if a person was lucky enough to be a guide for a particular tourist camp for 10 weeks or worked in the forests for 10 weeks, then he or she could collect unemployment insurance. As some members have indicated, they could even get involved in a training program or a make-work program under the old Liberal government which allowed them to accumulate sufficient weeks so that they would not be on the welfare rolls. This gave them a sense of achievement, belonging, the sense of having something to offer Canadians. Now what you give them is welfare. Where would 14,000 aboriginals go for a job in northern Ontario where roughly 10,000 of those 14,000 live in isolated communities to which you have to fly. What do I tell them? Move to Toronto, you have no choice. That is ridiculous. We know it, they know it, but the government seems to think that is fine. Do not worry about them, the government of Ontario will look after them.

That brings me to the other area which the citizens of Canada should be aware of. This bill is just a disguise to pass programs that the federal government historically has been responsible for and is now passing on to the provinces. The government tells the province: "You look after it. They are your citizens. We are getting out of the program".

When I read something that states that by the year 1992, if this bill passes, this program will be $3 billion in deficit. When I read that, it made me think that there are no choices available to the worker when he or she gets laid off in this country. If this government is not prepared to put certain dollars into this program, then it is saying to the employer and employee that they have to.

We all know that employers feel that they pay to the UI program to the extent that enough is enough. We have heard that on numerous occasions and I think all members of Parliament would say that they have listened to the small business person and the large business person say that one of the reasons Canadians cannot compete with the Americans is because the amount of dollars we pump into these extra programs and the hidden costs of keeping these employees is too high.

What we are hearing from the government is that sooner or later in 1992–93 when it becomes evident under the new program that there is a deficiency as far as the dollars put into it are concerned, the employer and the employee will either have to kick in more or we will have to reduce the amount of funds we pay to an already small amount. If you were ever so unlucky as to collect unemployment, Madam Speaker, then you will know that it is very difficult to raise a family of two or three, or even look after yourself, pay the rent and feed yourself with the amount of dollars paid through that program.

If we cut the program even more because the government no longer has any responsibility in the program then the workers will be forced into a position of having to stay on welfare, or also something which is very sad in this bill, possibly having to stay in a job where the working relationship between the employer and the employee is so bad that psychologically it would be better for that individual to quit. This government has stated that in this country you do not quit a job. You stay there whether or not you like it, even though there are situations when at times you have no choice but to quit.

The changes in the penalties in this particular legislation change from six weeks disqualification to a minimum of seven weeks to a maximum of 12 weeks plus two weeks waiting period; a reduced rate of benefit from 60 per cent of insurable earnings to 50 per cent. We do not give criminals sentences that long. I cannot understand why someone who has to quit a job because of situations not of his or her making would be put in a situation where they cannot collect for three months. Not only that, but this can be carried over for six years. I would like to see them give penalties and longer sentences than that to people who steal in stores. A person who happens to quit his or her job is given a six-year penalty. I think that is shameful. Canadians know what this government is up to and when it comes to 1992–93 they will remember, if this government has the audacity to pass this legislation in its present form.

• (1820)

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I have listened to the debate on this amendment to Bill C–21 with great interest. One of the speeches that I found most striking was yesterday when the Minister of State for Employment and Immigration said that she and this government listened to the workers.

When they listened to the workers did they hear the workers tell the government to dump the burden of paying for unemployment insurance on their backs? Did the workers say to this government: "We need training, but we don't need government, our own tax money, to pay for it?" Did the workers tell this government that they want to have shorter eligibility for unemployment insurance that they have paid for? Did they tell this government that they want their unemployment insurance program decimated? I think not.

When I was on the tour with many members who sit in this House, group after group and individual after individual Canadian told us over and over again how important any changes to unemployment insurance are to them. They believed and hoped that the government would care enough to enhance the program, not decimate it. One should not be surprised, however, that the government does not listen. People should not be surprised at the level of disdain at which this government holds working people. Consistently during the hearings and in the debate we have heard these terms from the government: relocation, re-education, behaviour modification. Those words coming from this government with the mandate it has and the commitment it made are shocking, disgusting and, in my view, unacceptable. If

George Orwell had a vision when he wrote *1984* the vision was of the government on that side of the House.

Yesterday, we met with the labour coalition that has been referred to a number of times during this debate. The people we met included Shirley Carr, president of the Canadian Labour Congress; Louis Laberge, president of the Quebec Federation of Labour; Jim McCambley, president of the Canadian Federation of Labour; Gerald Larose, president of the Confederation of National Trade Unions; Kitty O'Callaghan, president of the Canadian Teachers Federation, Lorraine Page, president of the Quebec Teaching Congress; Kathleen Connors, president of the National Federation of Nurses' Unions and Louis Lacroix, president of the Canadian Conference of Teamsters.

This group represents 4 million dues–paying workers, both employed workers and unemployed workers. If that is multiplied by 3.6, which is the average family in this country, that is 14.5 million Canadians. Up until Friday, the coalition tried to have a meeting with the minister and this government. They were denied the opportunity to meet with them.

I would like to put what those labour centrals had to say on behalf of working people on the record. Kitty O'Callaghan, president of the Canadian Teachers Federation, talked about kids who are disadvantaged because of unemployment in our communities. She talked about kids who come to school hungry and ill–equipped. As a result of that, they are unable to fully participate in school activities. Not only that, they are unable to perform at full potential. Her concern is that today one in six kids in Canada is already living in poverty, and that coupled with the UI cuts, the transfer payment cuts in the budget, the claw–back of family allowance, and education cuts, kids today are out selling candy bars and other things to buy needed equipment for their schools. Not only are they disadvantaged, not only are they finding it difficult to reach—

Mr. McDermid: I did that when I went to school. What nonsense. They have been doing that for years.

Ms. Langan: It will be your turn soon. I am sure the Speaker will recognize you.

It is evident that members on the other side of the House also hold poor children in disdain and that is the tragedy of what this government is putting before us.

Kathleen Connors, president of the National Federation of Nurses' Unions, talked about the front–line deliverers of health care, the nurses. She said that they see the direct impact of unemployment on the local health care system. They see when there is not sufficient income for appropriate food, when there is not sufficient income for appropriate health care, and when unemployment causes family stress, family violence and suicide. She said that between the EPF transfer cuts and the unemployment insurance cuts that we are seeing in this bill, the impact will be devastating.

Lorraine Pagé, president of the Quebec Teaching Congress, said that we need to invest in professional training, but that must not be done by asking the unemployed to pay for the training fund. She said that we need to enhance financing of the education sector, not privatize it as shown in this bill, and not cut it in the budget for education. She said that women, in particular, who are in precarious jobs are unemployed first and unemployed longest. She talked about eligibility and the fact that the increased demands in this bill would make it much more difficult for women to become eligible. She said, and it is very true, that of the one in six kids in this country who is poor, usually, statistically, they come from single–parent, women–led families. Those are the ones who will be affected first and the ones who will be affected most by these cuts.

Gerald Larose, president of the Confederation of National Trade Unions, said unemployment insurance is the main mechanism to reallocate riches from the well off to the more fragile, and that when you weaken the system, as this bill is going to be weakening it, you weaken the regional areas even more. He said that this is a system designed to privatize unemployment insurance, that this government clearly no longer wants to fund unemployment insurance and is copying the American model.

Despite statements during the election campaign and in the free trade agreement itself that governments have to interfere less in the free market, and despite statements by this government that that is not really true, we are finding ourselves again and again with legislation that is tailored to the American model to accommodate the free trade agreement. Bill C–21 is an example of the big lie that took place to get votes in the last federal election.

Louis Laberge, president of the Quebec Federation of Labour, said that this government is responsible for plant shutdowns, one after the other. Instead of helping workers, the government is reducing the time available for unemployment insurance and increasing the time it takes to become eligible. He said that workers are aware of how far Bill C–21 is going, but it will take time for workers to really appreciate the impact on them and to become angry enough to revolt. He said that this bill is so bad it is hard to find words to explain it.

• (1830)

Jim McCambly of the Canadian Federation of Labour said the removal of $4.2 billion for general revenue responsible for this funding may destroy the unemployment insurance program, one of the better systems in the world. When talking to people from other parts of the world, they are impressed, or were impressed, with our unemployment insurance system. The fact is, after this bill is finished with Canadian workers, it will not be something to be proud of, but something to be very worried about.

Mr. McCambly talked about the impact of unemployment on seasonal, cyclical, and disadvantaged workers. He feels that this legislation is going to hurt very badly those workers. He said that for the first year it may not be too bad, but wait until the second year. The government is banking on those people who are working not being able to visualize being unemployed so that it can get through this bill. Once it does, it will be too late.

Louis Lacroix, President of the Canadian Conference of Teamsters, said that this is more than a bad bill, this is a philosophical debate. The government is no longer participating in the unemployment insurance program. It is the privatization of social benefits in the country and this is one of the very clear steps in the government's plans.

Shirley Carr, President of the Canadian Labour Congress, unequivocally stated that she would be going to the wire fighting this bill. The CLC pointed out that unemployment insurance is fundamental to the economic and social security of all workers, unionized and non–unionized, full–time and part–time, private sector and public sector. Bill C–21 destroys many of the principles on which the unemployment insurance system has been built. Its most basic purpose of insuring workers against the loss of earnings is seriously undermined. The tripartite financing of UI by employers, workers, and government, developed over the past 50 years, is destroyed by this bill.

Government contributions of $2.5 billion for UI extended benefits resulting from high regional unemployment will be withdrawn. About $300 million of government subsidies for UI fishery benefits will be transferred to premium payers. Fifteen per cent of UI premiums, about $2 billion a year, will be used to finance the purchase of training courses, resettlement, business start–up, wage subsidies and other labour adjustment programs now financed from general government revenues.

Bill C–21 is not good for working people in Canada. Bill C–21 is not good for employers in Canada. The only people the government has heard say that Bill C–21 is good is themselves.

The government is abandoning the social contract—I think it is important to note, the sacred trust—that was made with Canadian workers and employers. It is evident now that the government has never had the intention of listening to Canadian workers.

I would like to tell the government that the impact of Bill C–21 is so bad that time will prove our opposition. We will not let up in that opposition. It may pass the bill, but the opposition will not let up. We will target the government and we will remind workers over and over again of who destroyed the system to which they contributed for a working lifetime and on which they depend. We will remind the 520,000 Canadians who will be affected. I will certainly work with my colleagues to remind the 60,000 British Columbians who will be affected, and I will certainly make it my mission in life to remind the 37,500 workers in my region of Vancouver and the lower Fraser Valley who will be affected. We will be reminding them of the $144 million that will be lost to the B.C. economy, that the safety net that gives them the opportunity to go out and look for other work has been removed, and that the burden is being shifted on to their backs and the backs of the provinces. We will not let up. The men and women working in this country deserve better.

I would ask that we consider the people who do not sit in nice surroundings such as these. We should consider the people who work on the shop floors or shift work, which occasionally this House has an opportunity to try. At least we get an afternoon shift to one o'clock in the morning.

I would ask the members to think about working in the dirt and grime in the mines and in the unsafe working conditions. Think about giving your life to that labour and then having someone come along and snatch it out from under you, like one could snatch a carpet, saying that what they are doing is good for you.

It is time that government members spent a little bit of time on the shop floors with working people hearing the kinds of concerns they truly have. They should hear the kinds of fears they have about where the economy of this country is going, where their future is, where the future is of their children and how they are going to survive the clawbacks, the UI cuts, the GST, this budget, and free trade. What is going to be left by the time we get to the next general election?

Mr. McDermid: A stronger country, a competitive country.

An hon. member: A banana republic.

Ms. Langan: Someone said we are going to have a competitive country. We are going to have the workers on their knees. We are going to have a banana republic. That is exactly where the government wants them, on their knees, so it can just put it to them.

Mr. MacDougall: That is what the socialists would do.

Ms. Langan: That is not what the New Democrats would do. We are committed to bringing those concerns here. This is a government that would not meet with the National Action Committee on the Status of Women last year; a government that has refused this year to meet with the Canadian Labour Congress and with the Coalition of Unions on the unemployment insurance bill. Today, we heard the Minister of Employment and Immigration say that the government listens to women and the workers in the country. If the government is listening, then I suspect it is not hearing because the women and the workers in the country are not satisfied, are not happy with this legislation, and certainly do not feel that they are being listened to.

I want to close my remarks by saying that government members sit there in righteous indignation because we should be so forthright as to get up to criticize their legislation. I would suggest that at the time of the next election they will have to go out and face those folks whom they pulled the rug out from under. I suspect at that time they will perhaps drop their disdain a tiny bit, throw out a few cookies, and hope that they will be re-elected.

This legislation is despicable and unacceptable to Canadian workers. I plead on behalf of those workers that government members listen to what they have to say.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it is a pleasure for me to rise today to speak to the motion moved by the government House leader on the Senate message on Bill C-21.

The legislative initiative undertaken by the Minister of Employment and Immigration represents very tangible progress in the area of employment reform. I would like to congratulate her for it.

First, I would like to take a few moments to remind hon. members of the provisions in Bill C-21 that I support, and why. To me, Bill C-21 represents part of an approach, a reasoned strategy, well thought-out and carefully designed. As a major reform of public policy it is the right way to go.

• (1840)

I have always thought that for far too long in this country, social and economic policy were piecemeal, a bandage here and some ointment there. The result of this rather haphazard approach was policies absent of direction, devoid of parity and often, in the end, ineffective. Today, more and more Canadians are calling out for social and economic leadership as we move towards 2000.

This is no more true than in the area of labour force development. The Minister of Employment and Immigration clearly understands that when it comes to unemployment insurance, for example, what may have been appropriate for a resource-based economy of the sixties and seventies is no longer adequate. Today, we see that, thanks in part to initiatives by this government such as the Atlantic Canada Opportunities Agency, the Western Diversification Office and others, we have an economic

base that is increasingly well-rounded and, indeed, quite vital and diverse.

I know all members and all Canadians share with me a sense of great pride when we speak of economic prosperity. It seems to me that the creation of a broad economic base is only part of the story. If we achieve through our economic policies a certain measure of success in diversifying our nation's means of production, then does it not stand to reason that our social, labour force, and workforce policies should operate in tandem?

We know, for example, that our resource-based economy of 20 years ago demanded very little by way of skills development. Technology changed slowly and workers easily kept pace with workplace demands. But training has assumed a critical role in today's high technology era. A skilled workforce is essential for our businesses to compete successfully in the global market-place of the year 2000.

To turn our backs on the challenges of the next millennium is foolish. To be paralyzed by the dogma of the status quo is hardly economic leadership. This bill represents a very sensible and thoughtful approach to labour force development. It is an approach very much in keeping with the Canadian way. These proposed changes to our unemployment insurance system represent a flexible and balanced response to changing times. It is consistent with the commitment to contribute to economic prosperity. Equally, it ensures that those in our society who are disadvantaged are helped and encouraged to be full participants in our society's economic activity.

As one of my constituents in Barrie said to me the other day: "Edna, what we have is unemployment insurance, but what we need is employment insurance." It is understood that these reforms, by their very nature, are designed to help workers and to assist those who require special assistance to play a full and satisfactory role in the workforce. After all, that is the very essence of the Canadian Jobs Strategy.

I want to discuss for a moment some of the particular initiatives designed to meet the specific circumstances of women, older workers and the employment disadvantaged. For example, the strategy is providing a financial boost to a training program for social assistance recipients that already has a proven track record in helping them to become economically self-reliant.

Through this program, the federal government works in tandem with the provincial governments to help social assistance recipients acquire the skills and the work experience they need to find good jobs at good pay. We, on this side of the House, are prepared to support an additional $50 million under the strategy. That, combined with the $50 million spent through the Canada Assistance Plan and matching funds from the provinces, promises an additional $200 million to prepare an estimated 20,000 additional social assistance recipients for productive employment.

I am particularly pleased to note that the strategy addresses the needs of older workers for whom the job search is often a long and frustrating process. We will be injecting an extra $40 million into the continuing employment option which provides financial support for up to three years to employers who hire and retrain displaced workers.

In addition, we will be doubling the budget of the Industrial Adjustment Service which works with companies to deal with the problems of obsolete skills, the challenges of changing technologies, and finding alternative employment for laid-off workers. Its total budget will now be $30 million.

Bill C-21 contains another very important change that older workers will welcome with open arms. It enables workers over the age of 65 to collect benefits if they otherwise meet the unemployment insurance criteria. With more and more Canadians choosing to extend their working lives, this change is an idea whose time has come.

The strategy also opens the door of opportunity for more women. For example, we are allocating an additional $65 million for promoting human resource planning programs in the private sector. These plans will include employment equity components which will broaden prospects for women.

It is my personal hope that details being worked out now at private sector consultations under the auspices of the Canadian Labour Market and Productivity Centre will enable us to improve the apprenticeship program and train more women in non-traditional occupations. In conjunction with the private sector, we hope to develop an entry level training program for jobs in growing

industries, particularly in areas in which women already have a large stake.

Bill C–21 also proposes changes in special unemployment insurance benefits that will not only help women but also make the program more relevant to the needs of today's workforce. These changes include, in addition to the current 15 weeks of maternity benefits, 10 weeks of parental benefits for natural and adoptive parents, shared between the mother and the father as they deem fit, and the proposal for more flexibility and access to 15 weeks of sickness benefits.

I would like to say that I have received a lot of correspondence from my constituents who are young mothers–to–be. They know that if Bill C–21 is not passed before the birth of their children, they will not be able to take advantage of its generous provisions for maternity leave.

The strategy has also taken into account the concerns of women's groups in another matter, the question of what exactly constitutes just cause for quitting one's employment. Under Bill C–21, people who quit their jobs without just cause stand to lose between seven and 12 weeks of benefits. However, anyone who has justifiable reason for quitting, such as being the victim of hazardous working conditions or because a spouse has found employment in another city, will not face these penalties.

In response to appeals from women across Canada, myself included, the Minister of Employment and Immigration has added an amendment to Bill C–21 which provides legislative expression of just cause. When the government introduced the labour force development strategy, it did so to help both the unemployed and Canadian businesses by creating a better match between skills employers need and skills workers have. We know this is just a start, but it focuses our attention on the education and the training which are needed to equip people for the demanding requirements of a modern, global economy, and that will enable them to participate fully in our society. More and more of us who have witnessed the massive changes brought about by the technological revolution appreciate that skills training remains a key means of preparing our workforce for the constantly evolving complexities of the job market.

• (1850)

All of us understand that if we are ever to compete effectively in the global economy, we must ensure that the labour force of the 1990s is not only highly skilled, but capable of adapting to an evolving work environment brought on by technological and demographic change. This challenge requires the co–operation of the public sector, the private sector, professional associations and, yes, unions to pool skills and experience and get involved for the good of our country. Government cannot do it alone. It is essential to establish links between the schools, industry and the community to provide invaluable insights for our youth into the world of work and its demands.

The government has listened seriously to the recommendations offered by the Senate regarding Bill C–21. While there are many concerns which all members should have about many of the suggestions in the message before us, some recommendations are worth including in Bill C–21. For example, we recognize the impact which illiteracy has on Canadian workers and on employers. The lack of basic skills is an impediment to further training. For that reason, the idea in recommendation one is worth including in this bill.

Senators have said that they welcome the commitment of the government to producing an annual plan which will show members how unemployment insurance funds will be spent to train and develop people. In recommendation four, they have asked us to amend the bill to ensure that the minister will provide specific details in this plan. It will do no one good to create centralized plans which are too rigid or detailed to respond to changing times. At the same time, a reasonable level of detail should be provided. Therefore, the response which the government proposes to the Senate's suggestion is a fair one.

The Liberals in the Senate seem to believe that the only purpose of unemployment insurance is to pay people to wait for their old jobs to come back. We believe that unemployment insurance needs to become an active program which invests in people. Training courses, financial help to move to a place where there are more jobs, and assisting claimants to start businesses, are wise investments. This government wants to let people get out of the unemployment trap.

In closing, let me say how proud I am to have played a role as a member of the legislative committee which travelled the land studying this bill. I now know with certainty that the proposals contained herein respond to the needs and the aspirations of Canadians entering and participating in the workforce as we move towards 2000.

Mr. Stan Keyes (Hamilton West): Madam Speaker, I am duty-bound to rise tonight on closure at third reading of Bill C-21, an act to amend the Unemployment Insurance Act.

An hon. member: It's not third reading.

Mr. Keyes: The legislation before us, referred back to this House by the other place, would fundamentally alter one of the basic aspects of universality in Canada. The bill would remove the federal government from funding the unemployment insurance program, dramatically restructuring our social safety system. It is a Conservative assault on the Canadian way of life.

The legislation would increase the required number of weeks needed to collect unemployment insurance and lessen the actual number of weeks a person will receive entitlements. The legislation would alter the minimum entrance requirements for workers seeking financial support from the current 10 to 14 weeks of employment to an incredible 10 to 20 weeks of employment. This means that, even though the federal government has removed itself from paying into the program, the Tories are still calling the shots and making it tougher on Canadians, saying: "You have no choice. You will have to contribute more and receive less."

The changes in the legislation before us mean that over 150,000 Canadians will lose their entitlements and over 750,000 working Canadians will have their entitlements reduced. Under this government, the same case is being repeated time and time again. Canadians are paying more and more in taxes, and are receiving less and less in entitlements and services.

The government is removing itself from contributing to the UI system. The government intends to replace its $2.9 billion contribution with increased employee-employer payments. Under the proposed legislation contributions by employers will rise to $3.15 for every $100 of earnings, a total of $3.48 more per week than what employers presently pay, or $180 more per year.

Contributions by employees will also rise. As if the hardworking Canadian was not already paying enough, under the new legislation employees would pay $2.49 more per week than at present, an increase of $129 more per year. Add to this the additional cost of at least $1,000 a year which Canadians will pay towards the proposed goods and services tax. All this is at the worst possible time, when one considers our poor economic outlook, not to mention the condition of our east coast fishery.

The qualification period for receiving entitlements, or the eligibility period, as the government likes to call it, for employees who in many cases lose their jobs through no fault of their own will rise dramatically. The new scale will be based on the average rate of unemployment in a given area, as was the case under the old rules. The difference is the amount of weeks required in order to qualify for entitlements.

In my own city of Hamilton, Ontario the unemployment rate for February, 1990 was 5.3 per cent. This means that under the proposed rules a person needs 20 weeks of work to qualify for entitlements, whereas under the old rules the worker needs only 14 weeks to qualify. The new rules would also mean that the same worker would receive fewer weeks of entitlements. In Hamilton, the same worker who is laid off and who would fortunately have 20 weeks of work under his belt would receive only 17 weeks of compensation. Under the old rules the worker would have received at least 20 weeks. This would only be the case if the person was successful in gaining employment and was able to hold the job without his job moving south of the border.

In the hard pressed regions of our country, people will find it increasingly difficult to receive entitlements, let alone find a secure job. On the east coast where the government has sold out the Atlantic fishery, workers will now be required to have 14 weeks of employment compared to only 10 weeks under the previous rules. The Conservative government members opposite ask the question: What is so wrong with these changes?

• (1900)

The Senate has made it all very clear. In its amendments the Senate proposes that Ottawa continue to guarantee the annual $2.4 billion federal subsidy to the system rather than allow the cost to be put on to the backs of the Canadian workers and their employers. The amendments would also stop the government from making it harder to obtain entitlements in areas of high

unemployment and from cutting the time that make recipients eligible.

The government House leader said: "The Senate is acting as if it forgets who won the 1984 and 1988 elections." I ask this: Who gave this government the mandate to carry out this system of injustice? I also ask this: Why has the unemployment rate in St. John's, Newfoundland risen from 10.4 per cent last year to 13.2 per cent this year? Because the Conservative government has abandoned the east coast.

Out west in the prairies the government has abandoned the family farm. In some cases workers there will now need 18 weeks of employment to qualify for entitlements, instead of only 12 weeks which is presently the case. Clearly, under the Conservative government Canadians end up paying more and getting less.

Let there be no mistake, we are not talking about hand-outs here. We are talking about payments from insurance premiums. Canadian workers pay into the system with their own money. As we know, the system would be sustained by workers and employers under the new system. So when a person is laid off in St. John's, Newfoundland or Victoria or Hamilton they expect to be covered until they find a new job. This legislation changes the system of redistribution of wealth in this country.

For example, let us take the present crisis in Atlantic Canada. What happens to the young couple with two children when both parents have finally succeeded in getting a job in the local fish plant but suddenly find themselves out of a job after five weeks of work? Because of Conservative government mismanagement this family of four would be in jeopardy because the two parents would not have had enough weeks to qualify for the entitlements for which they had paid.

There is one person from Newfoundland with a terrific job, but whom voters would certainly like to forget. I am speaking of the Minister for International Trade. It was he who, during the 1988 election campaign, promised that no new changes were planned for the unemployment insurance program.

Mr. Milliken: Did he say that?

Mr. Keyes: I have the exact quote. He said: "No one is planning any changes in the UIC program. There has not been any change proposed to us since we dealt with the Forget commission. We are not contemplating any changes."

Mr. Milliken: I can't believe he said that.

Mr. Keyes: What deception. What deceit. The truth is that the government is using the pretext of "adjustment" to finance its deficit reduction plan, which is not really a plan at all since it cannot control it all at the expense of unemployed Canadians.

The government claims that the solution to unemployment will be training programs for the unemployed. Are the unemployed supposed to be thrilled and excited about this? The Conservative government's much talked about training programs are a sham if there are no jobs to be filled. The Conservative government's programs rank sixth in terms of content and effectiveness when compared to programs of OECD countries.

Hard working Canadians will pay for training without any assurance that they will benefit from that training. The idea of training workers is also tied into the concept of education, research and development. The more basic education a person has the easier he or she is to train. The more research and development there is in the country the more spin-offs and jobs are likely to be created. However, under successive Conservative budgets these two important features of growth in our society have been curtailed, slashed, cut by this government.

Under the Conservative government funding for research and development has decreased. Prior to the 1984 election campaign the Prime Minister made all kinds of spending commitments and promises. He said that, if elected, he would double Canada's R and D effort by the end of his first mandate.

However, the percentage of Canada's Gross Domestic Product spent on R and D fell from 1.37 per cent in 1984 to 1.32 per cent in 1988, and is expected to be lower still in 1989 figures. In fact, Canada's R and D efforts now rank well below the efforts of OECD industrialized nations.

Other countries know the value of research and development and know that R and D plays a great part in the strength of economies. The Canadian government

could and should play a much more active role in the promotion of research and development, as well as education.

The government likes to boast about its commitment to education. Frankly, its commitment is negligible at best. This year the Conservative government introduced massive cuts in transfer payments to the provinces, making it harder for them to finance education, among other things.

How can the government hope that Canada can have a system of full employment when it is not creating the type of national infrastructure needed to promote increased growth in our country? The cumulative effect of Conservative government cuts to the provinces for post-secondary education, including R and D, up to 1989, totals $8.9 billion. In addition, the government hopes to cut over $7.4 billion to the provinces over the next five years, bringing the grand total of cuts to the provinces to over $16 billion.

I would like to return to some of the more substantive aspects of the bill and the amendments and the reason why there is all this criticism in the House tonight. Canadians should know that the amendments we are speaking about tonight were not conceived by the Senate. They are the focus, they are the pinnacle of all the information provided to it by groups and individuals with whom the Senate consulted.

But what does this government know about consultation? Labour groups from across this country have combined forces against this particular legislation. These groups representing no less than four million working Canadians believe that unemployment insurance is fundamental to the economic and social security of all Canadian workers. They believe that because of the new changes to the act workers do not have the same amount of insurance they once had. This government, if it has been able to do anything with this bill, it is to unify labour organizations against it.

Labour organizations have repeatedly tried to meet with the Minister of Employment and Immigration, but without success. The minister turns her back on millions of Canadian workers, not only by altering the system of federalism, as one labour official put it, but by refusing Canadians the democratic right to be heard. We do not have to go into that again tonight when we are dealing with this motion of closure, when we are forced to have our say within just a few hours when the government lowers the boom and that is all there is to be said.

Once again the Conservative government is proceeding blindly toward a dark future for the Canadian worker. The labour movement is also questioning, and rightly so, the restructuring of our social fabric, the very system of redistributing wealth in this country.

Not only does this legislation alter the concept of universality, but it could have the effect of physically breaking apart communities in this nation. By placing such rigid and strict conditions on Canadian workers, the government is effectively saying to them: "If you can't find work in your community where you may be a boy scout leader, where you may be a ball team coach, where you may be teaching kids ballet, then you have to move to Toronto, or you have got to move to Montreal. You have got to move to where the jobs are".

• (1910)

A healthy country, a country that shares in understanding of redistributing the wealth from central Canada to those regions that need our support, through no fault of their own—they are unemployed because of work being seasonal by nature—must depend on a strong local economy, wherever that may be in this country. They have got to remain healthy.

Bill C-21 all but destroys what is left of small town Canada. What is to become of our country? Thank God for the other place, that House of sober second thought.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, it is a pleasure for me to speak tonight. The government has listened seriously to the recommendations offered by the Senate with regard to Bill C-21. While there are many concerns which all members should have about many of the suggestions in the message that is before us, some recommendations are worth including in Bill C-21.

For example, we recognize the impact which illiteracy has on Canadian workers and employers. The lack of basic skills is an impediment to further training.

I would like to take a moment to review the region of the country that I represent, an area where the resource base industries are the backbone of the community. It is an area where we have good times and bad times. In fact it is an area where we are going through some very

difficult times. The reason for that is that northern Ontario and regions such as northern Ontario rely heavily on mining, forestry and agriculture. In these three areas families in my riding have grown up. They have been part of the mining community, part of the forestry community and part of the agricultural community. Their grandfather, their father and now their son have had the opportunity to work in these areas.

In areas such as mine the opportunity of being paid well is recognized. The pay in these areas is usually substantial. The opportunity is there to work in the mines for a very healthy wage as long as you are 16 or 17 years old. The thoughts and the feelings of individuals over that timeframe is that they never have to worry, that they will have a job in the mine until they retire. This has been the feeling for the last 50 years in my area. The same is true in the forestry sector.

But times have changed, and in changing times technology changes. One of the greatest problems we face with the adjustment of the unemployed in northern Ontario and across the country is that the technologies that they have learned, whether it was 20 years in a mine or 25 years in a sawmill, have changed. A lot of these workers dropped out of school with very little education. Their only skills were acquired in the job that they are doing. The unfortunate part for them in terms of training is that there was never an opportunity for them to take part in it.

For that reason the idea in the first recommendation is worth including in this bill.

The senators have said that they welcome the commitment of the government to produce an annual plan which will show members how UI funds will be spent to train and develop people. That is what we are looking at in the riding of Timiskaming where individuals have worked in the mining community where technology is now changing and advancing. We are in a competitive world. We are no longer looking just at northern Ontario having a gold mine. We are working on an international basis where we have to be competitive. Because technology changes are before us we have to be able to spend money in training and developing people for that. The same is true for the agriculture or the forestry side of things.

In recommendation 4 senators have asked us to amend the bill to ensure that the minister will provide specific details in this plan.

It will do no one good to create centralized plans which are too rigid or detailed to respond to changing needs. It will do no good in a country this size, whether we are looking at British Columbia, Yukon, Newfoundland or northern Ontario, to have a rigid, centralized plan. That is not what we should be looking at. At the same time a reasonable level of detail should be provided. Therefore the response the government proposes to the Senate's suggestion is a fair one.

In the eighth recommendation the Senate has also asked the House to consider removing a subsection of the UI act which has been in place for almost 20 years. That subsection would allow the Governor in Council to remove benefits for self-employed fishermen from the UI act at any time.

With the concern shared by all Canadians for the problems in the fishing industry, the request for added protection for these benefits is understandable. The message which the House will send to the Senate should accommodate these improvements in Bill C-21.

But much of what is in the message from the Senate cannot be accepted. We have been given a set of recommendations by a Senate which is dominated by Liberals which do nothing more than tie the hands of the government. These amendments would force us to spend money which we do not have, in ways which may not be the best for the working people who will be helped by Bill C-21.

The second recommendation would make the government use money from the Consolidated Revenue Fund to pay for training courses for unemployed people and for new measures like allowing claimants to use funds to start businesses.

The Senate seems to believe that the only purpose for UI is to pay people to wait for their old jobs to come back.

I have been here since 1982. I have had the opportunity in that number of years to deal with unemployment problems in my riding. Between 1982 and 1984, I sat in opposition. I had the opportunity to see the government of the day giving out job-creation programs. These

programs back then applied, as long as you cut grass, cut trees, painted fences or shovelled snow. That was the policy of the day. It gave you a period of time in which to collect these benefits, so that maybe if you were fortunate enough you could go back to work at your old job.

We believe that UI needs to become an active program which invests in people. Training courses, financial help to move to a place where there are more jobs and assisting claimants to start businesses are wise investments.

When this government took power in 1984 we were concerned with giving people the opportunity to get out of that unemployment trap.

Prior to the Conservative government taking power in 1984, 89 per cent of the jobs created by the then Liberal government were part-time jobs. That means that individuals had to work for three months or six months, and in that time frame they may have had the opportunity to go back to their old job, or maybe they did not. Maybe they were unemployed and looking for another program that they could get involved with again.

Since 1984, 85 per cent of the jobs that this government has created are full-time jobs. That involves 1.5 million people who are working today, more than had been working in 1984. Some 948,000, or 60 per cent of them, are women. When Flora MacDonald was the Minister of Employment and Immigration, she set out the guidelines for this government for what we believe is the way that we should be going. She set up the Canadian Jobs Strategy, giving the opportunity to Canadians who wanted to work to be retrained. Under that program we developed Communities Futures where it is the local people who are involved. They know what the concerns of the regions are, whether it is in Timiskaming, St. John's, Newfoundland or Whitehorse. Those are the individuals who know what adjustments should be made. In my area I have four of them and they work very, very well.

• (1920)

We are looking at retraining so that those individuals who happen to be laid off, unfortunately, have the opportunity to be retrained for a full-time job. We also look into job development, a program that works very, very well to ensure that individuals will have that opportunity for whatever areas they are looking at. Industrial adjustment programs give the opportunity to the employer, the employee and government to work together.

I think that Bill C-21 does an awful lot to adjust. One area that I look at which is of great concern in regions such as mine is in regard to those who are unemployed. A region such as mine stretches over a vast area with a very low population but ties it to cities such as North Bay and Timmins where the unemployment numbers under the old bill have us tied to the good economic times there. So they are not really sound figures in terms of those who may be unemployed in the area.

Bill C-21 gives us the opportunity to ensure that exact numbers will be shown and that those who require the unemployment insurance plan will have it there.

The third recommendation stops the government from developing innovative approaches to getting people back to work. It also offers new appeal rights to claimants which will make the system more complicated. There are just two more examples of how the Liberals in the Senate are willing to play games with the unemployed.

What we are dealing with is individuals who are in really hard times, individuals who do need help.

When the government introduced the Labour Force Development Strategy it did so to help both the unemployed and Canadian business by creating a better match between skills employers need skills workers have.

Sometimes, the things which will produce the best results do not fit all the demands of the UI act. For example, if a person is starting a business they are not eligible for UI. Bill C-21 gives us the flexibility to make UI more responsive to today's needs by experimenting with new and better ways of helping the unemployed.

While much of what the Senate wants to do in its fourth recommendation on the government's annual developmental plan for UI can be supported, one aspect certainly cannot. The Senate wants the power to approve or reject the plan. No one in this House can seriously accept the need for such a new power.

The fifth amendment cuts back one of the basic principles behind the bill by relaxing the penalties for people who quit their jobs without just cause or who are fired for misconduct. In response to sincere concerns about the definition of just cause for quitting a job, the House approved the amendments of the Minister of Employment and Immigration to Bill C–21 to ensure that people would not be penalized unfairly. The Liberal dominated Senate wants to change this House's decision to strengthen the penalties for people who quit. They want to send a signal to people that it is all right to quit jobs because UI will pay. In my mind that is like looking for cash for life. We must reject this type of thinking.

The sixth recommendation from the Senate demands that payments made to groups who manage programs for unemployed people be paid from the developmental uses budget of the UI. This government has been steadily improving the responsiveness of training programs ever since it was elected. We have many partners in designing and delivering these programs, such as community training groups which include employers and educators.

In my own area we have taken training programs with regard to miners in order to give them the opportunity to upgrade their skills so that with the new technology out there they are able to go to new modern mines where they can get full–time employment. A lot of mines have been open for 35 or 40 years and use old technology. Once they close down individuals do not have that new technology. The same can be said about a waferboard plant in my area. We are looking at developing a program with the company, the employees and government to ensure that with the new technology that is now available these employees will have an opportunity to retrain.

We can look at heavy equipment operators of which there is always a shortage. I could on with a long list of opportunities in which the government is working with community training groups to ensure that the opportunity of full–time stable jobs will be there.

When these groups perform services on our behalf, it is only fair to charge those costs to the UI account in the same way. That is all the clause that we are talking about was designed to do.

Recommendation 7 would do one thing, but one thing with a major impact on the country's deficit. It would force the government to pay a large share of the costs of the unemployment insurance with money that we do not have. No one can seriously suggest that the government should spend money on a program just because it used to do so. Yet the Liberals in the Senate are willing to see the deficit rise by more than $1.5 billion a year for a range of amendments in its message to this House.

What we are dealing with is fairness. We are dealing with a major problem that faces this country. This is a problem which causes us to adjust our entire workforce, a problem which which is causing us to adjust to the climate around the world. This is nothing new. It is happening in other parts of the country and around the world. The old mentality of spending money to get out of the problem will not work. The Liberal–dominated Senate is willing to spend money but it is not recommending what the proposals should be.

With recommendation 8 we return to the grab for power which the Liberal senators are making. This government is willing to amend the UI act to better protect fishermen, a group whose benefits have not been touched by this bill. It cannot be willing to go along with a scheme to play political games with the government's ability to make regulations.

The House of Commons cannot permit the Senate to expand its powers.

The ninth recommendation would reverse a decision of this House. We agreed in this place that the cost of UI should be borne by those who benefit, workers and employers. The Liberal–dominated Senate again disagrees. When everyone in Canada seems to understand the deficit must be controlled, they are willing to spend and see it go up and up.

The bill which this House passed was a sincere attempt to balance many different interests in order to improve UI in a realistic way. The amendments which the government is offering in response to the message from the Senate are part of that improvement.

However, we must reject amendments from the Liberal senators who are content to act irresponsibly to increase the deficit, remove innovation from the program and delay needed changes. This House must say no to these games.

Bill C–21 is designed to encourage more and better training of working people by the private sector. C–21 is designed to use UI funds to create new opportunities for jobs and to make UI a more active program. This is a major improvement over confining UI to passive, reactive measures. But UI is still a program which is

responsive to the different employment needs of communities across this country.

• (1930)

The government has ensured that UIC is a response to the regions needs. In areas where unemployment is high the vast majority of claimants will not see any changes in their benefits. We recognize that many of the jobs in areas such as Cape Breton, my homeland, western Newfoundland and northern Ontario, where I live, are important to the people of the communities. UIC is another important form of income support. For this reason people in these areas with higher levels of unemployment will still need and will be able to get unemployment qualification benefits.

I am honoured to have had the opportunity to speak tonight. I think it is vital that we pass this bill, that we deal with the opportunities for stability in this country in retraining, and that we give Canadians the much needed changes in the Unemployment Insurance Act.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I am pleased to rise to speak on this bill and in particular on the amendments proposed by the upper House to Bill C–21, an act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act.

I should like to begin by addressing the amendments very specifically. Amendment 1 seeks to include literacy instruction in the training programs provided for under this bill. I fully support this amendment. Illiteracy creates a great obstacle to those who need a higher level of training to adjust successfully to economic changes in Canada. As the world advances toward a highly technological state, workers will need to be able to read and write if they are to meet the challenges that lie ahead.

Thus workers on unemployment insurance who need basic skills must be allowed access to this type of training while receiving unemployment insurance benefits.

Amendment 2, dealing with the development uses provisions, seeks to ensure that the government finds a better way of financing an increased training level of the Canadian workforce than by redirecting moneys away from the unemployed. Using funds from the unemployment insurance program to purchase training courses, to start a business or to provide income support to those who are temporarily unemployed undermines the program's basic role.

Amendment 3 also deals with the developmental assistance provisions. These provisions are the primary benefits that the unemployed would be paying for through drastic cuts to their benefits. The bill gives the commission great latitude on the details of the developmental assistance programs and hence the commission in the future might be able to do things contrary to requirements generally set out in the Unemployment Insurance Act.

Amendment 4 deals with clause 20 of the bill. This deals with the preparation of an annual plan to provide an estimate of total unemployment insurance expenditures and of total expenditures on developmental uses.

Because the reporting requirements are lax, there is the possibility that money used for training might be reallocated from one region to another. The amendment calls for more detail in the plan so that expenditures will be shown for each province and for each unemployment insurance region and that distribution of funds can be monitored.

Further, the amendment includes a provision ensuring that members of Parliament and senators have an opportunity to approve the plan.

Amendment 5 seeks to keep the disqualification period for people who leave their jobs without just cause to a maximum of six weeks rather than have a disqualification period of seven to twelve weeks as proposed in Bill C–21.

By imposing a minimum disqualification period higher than the present maximum, the government is telling workers that they must remain tied to their jobs regardless of the circumstances. This is unacceptably restrictive and could lead those employees who suffer some form of harassment to remain on the job despite intolerable circumstances because they fear losing all income support for up to three months.

Amendment 6 seeks to ensure that the costs of contracting out, as allowed for under Bill C–21, be charged to the new "developmental uses" portion of the unemployment insurance fund. This is to ensure that such contracting out would fall inside the 15 per cent limit for developmental uses so as not to further erode the proportion of the unemployment insurance fund reserved for direct income maintenance payments to the

unemployed. It would also prevent too much privatization of the program.

Amendment 7 seeks to prevent the government from obtaining financial immunity contained in Bill C–21. The government has been a financial contributor to the unemployment insurance fund since it began in 1940. In the 1980s the government paid approximately 23 per cent of total program costs per year. Yet, in the 1990 budget the government announced that effective January 1, 1990 all unemployment insurance expenditures would be financed by premiums alone.

Yet the requirement for federal government contributions is the key to the success of our present unemployment insurance program. The withdrawal of government financing would move us closer to the inferior American model.

The federal government has a responsibility to address regional disparities and to help bear the costs of increases in unemployment which often results from government policies. Thus federal fundings must be maintained.

Amendment 8 seeks to ensure that steps are taken to protect benefits now provided to self–employed fishermen and to ensure that the government is committed to maintaining this vital program.

The Unemployment Insurance Act was amended in 1956 to extend coverage to self–employed fishermen and to provide that the government, not the unemployment insurance fund, was responsible for making up the difference between premiums collected and benefits paid to self–employed fishermen. Bill C–21 proposes to place the full cost of fishermen's benefits on the UI fund which, as I have already pointed out, is to be financed by employee–employer premium contributions alone. Thus the full cost of the fishermen's benefits would be borne by all other contributors to the fund.

I would like to quote the following statement of the Fishermen, Food and Allied Workers Union: "Business groups will be fighting tooth and nail in the years to come to take the position that since the government is out they regard themselves as having to subsidize fishermen's unemployment insurance and they will say this is not fair and we want out".

At a time when the Atlantic fisheries are in crisis the government should be furthering its support, not withdrawing it. Hence I fully support amendment 8.

Amendment 9, the last amendment, deals with variable entrance requirement. It was introduced to the unemployment insurance program to link regional unemployment conditions to the number of weeks of insurable employment required to qualify for benefits. As the unemployment rate of a region increased, the number of weeks of insurable employment necessary to qualify for benefits decreased. But this variable entrance requirement has been allowed to lapse by this government and so, since January 6, 1990, a uniform 14–week entrance requirement is in effect for all regions of the country irrespective of their levels of unemployment. That is definitely unfair.

Bill C–21 proposes a 62–region system and in only 8 of these regions would the 10–week minimum apply. Under the old rules the minimum would have applied in 32 regions.

The proposed changes to the number of weeks a claimant may receive unemployment insurance would reduce the maximum duration of benefit entitlement in most cases. For example, in the region of southern Manitoba, in my home province, claimants would lose up to 13 weeks of benefits.

• (1940)

The government is implying that unemployed people are in a position of their own making and with proper incentives could find jobs. Such thinking misses the point. It is not incentives that are necessary but jobs themselves.

Thus I agree with Amendment 9 that Table 1 and Table 2 of Bill C–21 be modified so that the highest unemployment regions would escape the ill effects of these new government proposals.

Before the federal election in November 1988 members of this government dismissed as nonsense suggestions that the Tories had a hidden agenda to cut unemployment insurance or other social programs after the election. The government broke its promise.

During the election the government also promised to develop high quality programs to help the many people who will lose their jobs because of free trade and other

economic changes. However, rather than using funds from general revenues as is normally the case, the government will take the money away from the unemployed. That is its solution. All workers will pay for training without any assurance that they themselves will benefit from the training. Training is the responsibility of government and must be funded.

It is the poor and disadvantaged people who already have difficulties in finding secure jobs that will be hardest hit by these changes to the UI program. It is because these people are "last hired and first fired". It will be seasonal workers, young people, natives, new immigrants, new citizens, visible minorities and the disabled people who stand to suffer the most from these proposed changes. Many people in these groups unfortunately are poor and the most vulnerable.

These changes to the unemployment insurance program will also adversely affect not only the economic status but the psychological health of many Canadians. The stress of unemployment compounded by absence of benefits can lead to physical illness. Thus reductions in regular UI benefits would lead to increases in health care costs and, more important, would make more Canadians ill. This is happening at a time of reductions in financial transfer payments to the provinces for health care costs. Where is the heart of this government? How will these new costs due to the ill effects of reductions in the unemployment insurance program be absorbed?

The government has estimated that $3 million will be cut from current UI regular benefits. Since it is known that changes to the UI program will cause illnesses linked to general economic distress, there will be increases in health care costs.

This government should admit that its decision to change the UI program is not only harmful to the health of Canadians but is counterproductive economically.

I should like at this juncture to respond to the response given by the government House leader in reply to the message from the Senate respecting this Bill C–21.

I submit that the government committed some flaws and errors in logic in its analysis. I would like to point these out. First, I submit that the government is wrong in its interpretation of the application of various Standing Orders it has cited to sustain its position. There is nothing in Standing Orders 79(1), 79(2) and 79(3) and Standing Orders 80(1) and 80(2) that prohibit the Senate from making amendments.

It is clear from the intent of these Standing Orders that only the House of Commons has the right to decide on matters of expenditure.

The Senate proposed certain amendments that this House may decide upon. The Senate never intended to take away from the House the power to decide. The House could decide and should decide. There is a difference between the power to propose amendments and the power to decide on the substance of those amendments.

I therefore ask the House to pass judgment on the merits of these amendments to which I have alluded earlier. Whether the proposed amendment is to get funding from the Consolidated Revenue Fund and whether it is in the best interests of Canadians and the program are the questions that this government must answer. This government can decide if it wants to; the government cannot hide behind a technicality. The government's interpretation of the Standing Orders on the application of these amendments is also wrong.

Second, the government is attempting to camouflage its difficulties to be accountable to the people respecting the absence of heart with which it has produced this bill. It tries to deflect this uncaring attitude by discussing the accountability of the other place to the people.

The government appears to say that because members of the other place are not elected they are therefore not accountable to anyone for their actions. The other place, whether or not the government likes it, is responsible to the people of Canada to exercise sober and serious thought on bills sent to it by this House. This is a constitutional requirement.

Would the government try to insinuate that the Supreme Court of Canada, because it is also an appointed body, is not accountable to the people? Surely no one would make that suggestion. We should debunk once and for all the fallacy of using the non–elective nature of the constitutional Senate as the basis for saying that it is not accountable to the people.

If I may add, if there is really no place for the Senate why has the Prime Minister continued to appoint members to the Senate? The House and the government must not continue to sing the song and dance the dance

about the Senate. It must address the real issues that the amendments bring to this House.

I submit that the sentiments echoed by the proposed amendments coming from the other place are the sentiments coming from the people of our country.

I would like to ask the following question: Which should prevail—the heartless principle of the bill where the government abdicates its responsibility for funding, or the caring principle for Canadians who deserve in moments of difficulties due to unemployment which is not of their own making direct funding benefits from this government? You will agree, Madam Speaker, that a heartless principle must at once surrender itself to a principle that cares.

Bill C-21, if not amended, is fundamentally unsound. It is basically unkind and fails to echo the conscience of Canadians. The proposed amendments from the other place restore the kindness and reflect the sentiments of many Canadians. We heard submissions from a coalition of union movements and from church organizations, telling us what to do or what to tell the government to do. Those sentiments are embodied in the proposed amendments coming from the other place. We should thank the Senate for its boldness and sensitivity.

Perhaps I may conclude with a quotation from the Canadian Conference of Catholic Bishops. Monsignor Charles Valois appeared before the Senate committee and said:

> The federal proposals contained in Bill C-21 are based on a disturbing hypothesis. Human labour and workers are viewed as a commodity to be bought and sold, recycled, moved or removed from the market—Emasculating the unemployment insurance plan at the very time when it is most needed is unacceptable morally and politically.

That is the challenge to this government: accept the amendments from the Senate and the government will be doing what Canadians want it to do.

• (1950)

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I rise tonight to speak on Bill C-21, a piece of legislation that has attracted a lot of attention in this country. Needless to say, it has attracted a lot of attention in my own province of Newfoundland and Labrador.

Questions have arisen about what the government has done with this legislation. I note that the questions have risen as to whether or not the government had what some call a mandate.

There are certainly lots of quotations floating around about who said what and when. This government has made a commitment and I think most governments have probably shared the commitment. This government before the last election made a very clear commitment that it would move to improve social programs, that programs which needed to be made better to help Canadians in a more effective way for the benefit of as many Canadians as possible would be part of the agenda of this government.

I believe Bill C-21 addresses that. Bill C-21 looks at some of the fundamental differences between this government and my friends opposite. My friends opposite would have us say to Canadians: "You have what you have now and, despite all that is happening in the world, despite the changes in the world, we are not going to make it any better. We are going to leave you where you are now". Everyone tells me that the unemployment insurance system should be changed.

I would like to see much broader changes in the unemployment insurance system. I would like to see a whole different system. I recognize that that day is not here right now. I do not think this House is ready for that. I do not think this country is ready for that, but it will come with time. The essence is to keep moving, keep changing and keep evolving because that is what will lead to develop of social programs for Canadians that in the long run are the programs we need to meet their needs.

My friend for Gander—Grand Falls this afternoon was very good as usual, erudite and certainly on occasion came close to fact and dealt with realities. He said a number of things that unfortunately had been said repeatedly in my province and bear some correction. There have been a number of things said in a number of places. I just want to touch on a couple of them just to make sure we are talking about the same thing. This is not a judgment question particularly. This is what is happening.

For most of the people in my province, if the government can have this legislation passed, if the will of this House is respected and Bill C-21 becomes law, we will have a variable entrance requirement which recognizes that in certain parts of the country people are more

disadvantaged and there are less opportunities to work. If the legislation can be passed into law, the people in my province for the most part will need 10 weeks to qualify, which is what it is today.

I would be dishonest if I said we have not changed the benefit period. The benefit period has been affected. If you add up in the standard way the qualifying period, the penalty period and the benefit period, you arrive at 51 weeks. The average period on benefit in Newfoundland and Labrador is something less than 30 weeks. A remarkably few number of people go straight through the system and a surprising number who do requalify. Let us be sensible; 51 weeks is what we are talking about.

We heard today about the line with great expression and movement of arms and hands. It depends on what side of the line you live. The law says it is where you live, not where you work.

It has always been that way. To suggest that this legislation changes that is ridiculous, but we get this great expanse of toing and froing and moaning about how the line changes and you have to qualify where you live. It has always been that way. Nothing has changed.

I appeared with the committee when it was in St. John's, and one thing we were consistently told was that you have to change the economic regions. What is happening is that with the three economic regions in Newfoundland and Labrador, we had the city of St. John's with its unacceptably high but relatively low unemployment rate affecting the rest of the Avalon Peninsula. Therefore the people on Bell Island where the unemployment rate is tragically at 75 per cent were having to qualify with the same conditions as the people of St. John's where the unemployment rate was somewhat under 10 per cent for a while. Under the old regulations you would go from 10 weeks needed to qualify all of a sudden to 16 weeks. I cannot call that fair. That is not responsible. That does not let people plan. That does not let people know what is happening in their lives, so we changed the boundaries.

No constituency in Newfoundland was affected more than mine. No people were more divided than those in my riding. I will say that I supported what the unions, the labour councils and many others said to the committee in St. John's, which was change the line, because we have to recognize the economic realities. People have the opportunity to get employment.

The response of the government was to address the needs of those who needed it the most. When my friend talks about the line and and moving things around, we must be clear that it has always been that way and nothing has changed.

We talk about the repeater provision. We have removed the repeater provision which said if you wanted to qualify twice in a year you needed 16 weeks wherever you live. Now all you need, if we can get this piece of legislation through, is the same as you qualified with before. There is an equity there. There is not this huge gap people have to deal with which is particularly difficult on our fish plant workers.

We face some very difficult economic challenges with the crisis in our fishery. We see one-industry towns come under attack. We see the nature of our economies particularly in Atlantic Canada evolve as the nature of our communities change. As the world moves very quickly, as we move to take advantage of things like free trade, we are affected by a number of very different economic forces that impact on our communities.

We must have flexibility for our workers, options for people to deal with, options before us so that we can put together packages. More and more we are seeing government departments combining their resources and combining their programs. More and more we are seeing federal and provincial governments able to put different pieces together to come up with solutions to our problems.

Community Futures is a terrific example. Community Futures has worked very well across Canada but no better than in Newfoundland and Labrador. It says to the people of the community that we want them to come together on a regional basis and address the challenges and the opportunities.

People have their problems, but the people who sit on the Community Futures committee in my riding look on it as a challenge. They are looking for opportunities, not only provided through employment and immigration and not only provided through the extra money if we get this legislation through for Community Futures, but also for training and mobility.

• (2000)

But we seem to be able to bring together the programs of a variety of departments, the resources and the ideas of a number of people to develop solutions that are based in the community and come from the people in the community.

We cannot say to people there are no choices. We cannot keep telling people that they must stay where they are, that they will be fine the way things are. We have got to be able to tell people that we will help make their lives better. If it is training, if it is an ability to learn a skill, if it is an industrial adjustment strategy which has been so successful in many places, then that is something to think about. We have to deal with the reality where we have lost an industry where we put the employer, the employee and the government together and say, "How do we deal with the short term problem and what is it we bring together to deal with the longer term problem?". We must be able to do that.

With Bill C–21 we have those opportunities. We must be able to say to people: "We are going to support what you are doing". In my province we continue to take care of the people with the greatest need and we continue to be able to deal with the programs. Most of the people in Newfoundland and Labrador will be completely unaffected in a negative way and will only find the benefit through the changes to Bill C–21.

Mr. Tobin: What happened to that young idealistic fellow in the youth parliament? He would never stand up for a piece of legislation like this.

Mr. Reid: He joined the Liberal Party, Mr. Speaker. I was a Liberal once and I saw the errors of my ways. That is all right. I used to vote for your crowd before I voted for anybody.

I want to talk about the training programs. We have all heard a lot about the training programs since the 1970s when they were brought in. We have heard a tremendous amount of negative things and we have had some pretty rough things said about Newfoundlanders and Labradorians through a variety of media.

As these programs have evolved we have seen some interesting things happen. One of my friends across the way this afternoon was talking about the fact that all of a sudden Employment and Immigration demanded that in its training programs there be a training component. He was absolutely horrified by this. There is no question that we have used these programs to do other things. These employment programs have been used definitely to get people over a hump. They have been used to provide municipal infrastructure for the community, support for community groups, and they have been used for training.

But we are not completely isolated and completely restricted to one particular program. My friend opposite talks about a plumber not being able to get a job as a plumber or cannot get trained as a plumber because he is already a plumber. What about Section 25 of the act which quite specifically is designed to help those people who are unemployed keep their skills in tune? We have been able to use those programs quite efficiently and quite effectively. He talks about water lines. I have five or six communities in my constituency that are well under way to providing water to every house in that community in an efficient and effective manner. How have we done it? We have provided the labour through—

Mr. Milliken: Overground.

Mr. Reid: No, Mr. Speaker, underground. In the winter too. The people in Newfoundland and Labrador are not like the people of southern Ontario and eastern Ontario. We can work in the hard weather and we can work in what little heat we have too. What we have is the ability of a provincial government to provide some of the resources while we provide some of the labour.

I look at the Basilica of St. John the Baptist, a photograph of which appeared on the front cover of the annual report of the Department of Employment and Immigration. We took people off the street and put them in a program that I must say was started by my predecessor who represented the party opposite. This program was designed to help the parish deal with one of the most famous historic buildings in Newfoundland and Labrador, an old church that was built over a period of time in the 19th century. It is beautiful inside but was falling down.

We trained masons. We trained people to work with stone, people who had no knowledge of stone or working with their hands in that way. Do you know what they are

doing now, Mr. Speaker? They are travelling around Newfoundland and Labrador providing advice.

They are acting as consultants to people who have the same problems. These are little successes that we have had but little successes that are so important.

There is a professor at Memorial University in the genetics department who applies for this program whom we support. Because the people whom she has taught and given training have gone on to enter university themselves. I believe one of them is in law school. This is the sort of success that we have.

I look at Bell Island where we have very difficult situations, but we are working with the community council, we are working with the people of the development association, we are working with the people of ACOA. We have been able to move ahead with projects that not only help the people of the community but help the community themselves.

We talk about training and the inequities of a person in one seat being on unemployment and the person next perhaps not being on unemployment. It is an inequity, I do not like it, but it happens. But do you know that because we can purchase seats in these community colleges and because those community colleges have become so important for some of our communities that they in themselves take on a bit of a role of economic development.

I look at Bell Island again because there the people use the programs that we have. There we have recognized their special need and there we have worked together. We still have not anywhere near begun to solve the problems, but if we could provide another program in that community college that brings another 30 people in on a course, we are bringing 30 people into that community that would not normally be there. That is the movement here, that is the evolution of this program, that is what will make our social programs better which was the commitment of the Prime Minister and the government. That is what Bill C-21 would be doing right now if the House down the corridor would pass this piece of legislation.

Now I have but three short minutes left and I thought I should, out of respect, have a few words for our unelected friends down the corridor, our unelected friends who we were told wanted to go talk to Canadians, who are not driven by politics. Have you read this thing?

Where did they go after wanting to go across Canada? They went to St. John's and they went to Canso, two places in the scheme of things, they should have gone. But they are the only two places they went, and I would suggest they exploited the hardship that those people have been facing in the fishery and the hardship that they face in the future. Except we are there trying to help them through the use of legislation like this, not exploit them like our friends down the corridor.

We talk about politics and talk about our hon. friends moving. In 1978 when the government of our friends opposite moved Bill C-14, reducing the benefit rate from two-thirds to 60 per cent recovering through the income tax system a portion of claimants under UI. At the committee stage, at the time, the government estimated—and this is 1978 dollars—that the cost would result in a savings to the government of $885 million in changes to the UI benefits.

That piece of legislation went through the Senate with no amendment in all three stages in one day. It got Royal Assent the same day. This is the same group down the hall that is so concerned about Canadians today, that when it was their friends in the government it took one day and they did not bat an eyelash, but they are willing to put the people of this country who need the help that Bill C-21 provides behind them and put the politics on their backs for their own great glorification.

My constituents cannot qualify for the variable entrance requirement for their political aggrandizement and benefit, despite the fact that 12 years ago they did not bat an eyelash. That is outlandish and despicable in this country.

• (2010)

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I hope my friend from St. John's East will stay a minute. My colleague from Nickel Belt in the New Democratic Party has given me the opportunity to speak behind my friend from St. John's East. Let me say to my friend from St. John's East and say to the House that I first met this gentleman when he was still at a young and tender and unsullied age. He was but a young 15 or 16-year old. He was sitting across the floor from me in

the Colonial Building in the youth Parliament of Newfoundland and Labrador.

In those days when passion burned in his veins, when his blood ran hot, when the salt-water boiled up and demanded to be heard, it was not as a defender of a corrupt and bankrupt regime that he spoke but as a Newfoundlander who believed in his people and demanded to be heard. The fundamental change that has occurred, and he bears a heavy burden—it is a heavy cross that he carries now—is that once as a young and sullied Newfoundlander he was a voice for Newfoundland wherever he would be heard. He has now become the apologist of Ottawa to Newfoundland in the House of Commons. I want to tell him the apology just expressed will not be accepted by the people of Newfoundland and Labrador.

What are the facts? This member rises up to his full height, an inch or two shorter than me, and with his greatest of indignation tells Parliament and through Parliament the people of Canada what a great and wonderful thing is being done for the people of Newfoundland. They are being trained. How wonderful. He cited two examples of four fellows fixing up a church and a couple of other people going through a genetic lab at Memorial University.

Not a word was heard from the member for St. John's East about the people on the great northern peninsula of Newfoundland and the historic community of Port au Choix who cling to the rocks with their fingernails on the edge of the ocean trying to scrape a living from the land and the sea. Not a word for them.

Not a word for the people who live on the south coast of Newfoundland, not the city of St. John's, but the south coast of Newfoundland where there is not even a road connection. St. John's is but a blast they have to endure nightly on the local news.

Not a word for them nor a word for the people on Twillingate Island on the northeast coast, nor a word for the people of Lock Harbour and the Bay of Islands, nor a single uttered word for the people of La Scie on the Baie Verte peninsula. He has got two examples in St. John's of training programs. Of course what is good enough for St. John's is good enough for all of Newfoundland. I am here to tell him that Newfoundland is not our echo of what is good for St. John's.

I want to tell the member for St. John's East that if he wants to deal in fact, deal in fact. When it comes to rhetoric those of us from Newfoundland are quite capable of matching the rhetoric that has been heaved across this floor.

What are the facts? A $51 million cut to the province of Newfoundland and Labrador. That is the fact. Fifty-one million dollars. The member opposite wants us to get so caught up in his emotion that we will allow, happily, $51 million to slip out of the pockets, not of those who have in Newfoundland, not out of the pockets of the merchants of Newfoundland, not out of the pockets of the academics at university with their sinecure, safe and secure jobs, good people that they are, not out of the pockets of the bureaucracy of Newfoundland, the people who administer these wonderful training programs, not out of the pockets of the Crosbies of the world, but out of the pockets of the poorest of the poor in Newfoundland.

And there is not a word from the member for St. John's East for the poorest of the poor. We have just heard from a member whom I instinctively and intrinsically generally have some empathy for, because I think he is in a hell of spot, defending this regime. The tragedy is that his own area, the Avalon Peninsula, is that part of Newfoundland most devastated by Bill C-21. It is the area which sees the greatest increase in the requirements for qualification for UI, and there is not a word from that member.

Let us talk about these training programs. You have rural communities where unemployment, seasonally, is 50 per cent. And some bespectacled young fellow, well intentioned, shows up from the local CEIC office because he has a mandate from Ottawa. God knows, he knows it is a fool's errand but, nevertheless, it is his mandate and he must carry it out. He walks up onto the local wharf and he says: "Boys, we are going to train you. And if you can develop a training program, we are going to give you some financial support. And if you cannot develop a training program, we cannot help you".

Well, what has happened? With very rare exceptions, and there are a couple of rare exceptions, we have either seen areas that traditionally have shared in a national program and played a role in a useful national program, being cut out of it entirely, because they do not happen to have a technical college on their doorstep, or we have seen farcical training programs designed merely to quali-

fy and to get access to some community development funds. That is what has happened all too often, in rural Newfoundland.

It takes the nerve of a severe toothache to stand in this House, to be from Newfoundland, and be engaged in the political life of the province, to have a degree of awareness about the political life of the province, and to suggest that there are some great and wondrous training programs going on in Newfoundland today. That is a farce. That is not true. That is a false representation of the facts. That is a distortion of reality. It is a disservice to the people of Newfoundland and Labrador, to make that kind of suggestion in this House.

I know my colleague opposite from St. John's East must be severely out of touch, must have breathed too much of the rarefied air, must have been so moved by the splendour of this Chamber and the stained glass windows that reality has become distorted for him, as he looks at these programs with rose-tinted glasses. I know that in a serious, sober and honest moment, having been exposed to the light of day, the member for St. John's East could never make such a foolish and wanton declaration of nonsense in this House of Commons. I know that for a fact, Mr. Speaker. I am hoping he goes home soon and stands on the leeside of Bell Island, in a strong wind and clears his brain of these foolish notions.

So what is the reality? What is happening is that an otherwise fine human being, an otherwise decent individual whose instincts, although they have been absolutely repressed, are otherwise right, has been corrupted by the necessity of defending the indefensible. That is what has happened. Members opposite are being forced to stand on their hind legs—and when they are from the opposite side it is their hind legs that they stand on, whereas for most of us it is just two—and defend the indefensible.

This is a government that is being driven by budget considerations to slash spending. There is no over-all economic policy here. There is no over-all social plan here. There is no over-all determination to train people and make them more employable here. There is merely a Minister of Finance who said, "I need $2 billion". And having declared he is going to cut $2 billion, he then left it to the Minister of Employment and Immigration to impose those cuts.

The Government of Canada is getting out of the business of unemployment insurance.

• (2020)

That is important to me because as a Newfoundlander I recall the words of the Minister for International Trade, the member for St. John's West, the mentor of the member for St. John's East, who said in advance of the election campaign that the government had no plan whatsoever, not the slightest notion of changing the unemployment insurance program. It would not happen.

It is the same gentleman who was trotted out to say that there was going to be no change and no cuts to education spending, who also said that there was going to be no cuts to health care. He told us there would be no cuts to Canada's social programs. It would not happen. None of this was part and parcel of the free trade deal. There would be no cuts to transportation subsidies. Yet the Atlantic at and east program has been wiped out.

What do we have? We have here the completion of the free trade pact. We have a Minister for International Trade who does not want to be seen to be negotiating away unemployment insurance at the negotiating table. So he cut it unilaterally. He does not want to be seen to be negotiating away health care so the government cut it unilaterally. He did not wish to be seen negotiating away education so he cut it unilaterally. Nobody will ever accuse the Minister for International Trade of having negotiated away our social programs at the table with the Americans in definition of subsidy because we gave it all away in advance. We destroyed those programs.

It is a transparent and desperate measure. This government knows that the people of Canada will rise in literal rebellion as they see the nature and the collective values of this nation, that which distinguishes us from our neighbours to the south, being destroyed at a negotiating table. The way to avoid that spectacle is to give all of those programs away and destroy them in the name of budget cuts. The government can then tell the Americans that we don't need to negotiate UIC, we're out of the business. We don't need to talk about regional development programs because we are out of the business. We don't need to worry about tourism develop-

ment because we are out of the business. We are now imposing cuts so that within a few years we will have a privatized health care system.

Do you know what else? Universities cannot afford to function any more because we have cut them too. I will bet you they will be privatized in short order. So you do not need to negotiate away our so-called intervention in the economy because we got out of our participation as a government in the economy. The job is done.

Now that is what is going on in every walk of Canadian life. It is not the disappearance of government initiatives that we have seen. It is not a reduction in the bottom line deficit that we are seeing. Although in individual terms it is, it is not even the disappearance of necessary dollars from the pockets of those most poor amongst us that we are seeing.

What we are seeing is the evaporation of what makes Canada a country, what distinguishes us from every other nation of the world and in particular our neighbour to the south. We are seeing the evaporation of the kind of mentality and values that make me as a Newfoundlander proud to say that as proud as I am to be a Newfoundlander, I am prouder still to be a Canadian because I share some values with people from every province and every region of Canada. I have them in common and I know that together, collectively, we build a better country.

Those values are being eroded. No amount of rhetoric by members opposite, no amount of smoke and mirrors, no attempt to try and sell this as a training program, and no attempt to try and convince those who are being affected that somehow their lot is being improved will change that. This government has given up on Canada. It sees this nation merely as so many bits and pieces on a monopoly board to be manipulated to suit the bottom line.

We in the province of Newfoundland, and I know all of my colleagues in this party and those with some better sense in this place, reject that kind of vision for Canada because that is no vision for Canada.

There has been a lot of debate in this place about the role of the Senate with respect to Bill C-21. There has been a lot of debate about whether or not the Senate should supersede the rights of Parliament and so on.

Let me say that I accept, embrace and endorse the notion, unquestionably, that the elected member, those who are directly accountable to the people, have a role in the government of this land that cannot be shared in equal measure by those who are appointed to the Senate. I do not dispute that.

Let me say that when you see your country, not slowly, not bit by bit, but in giant leaps being dissipated, when you see the glue that holds us together being melted, when you see the pieces that make a whole beginning become askew, when you see neighbour turn against neighbour—and that is what has happened in Canada—because there is such profound frustration with the government that people have exercised that frustration and have made it felt by turning on their neighbours—and when you hear communities say: "We are English only" others say: "We are French only" others taking up petitions protesting by the tens of thousands our visible minorities in this nation, it represents a profound sense of fear in the land, profound frustration. Canadians know they do not have the opportunity to cast judgment on this government for two and a half years, and in their anger and frustration and, yes, in their fear, neighbour has turned against neighbour.

If we in our party have a message for this government and for the people of Canada it is this: That we will use every legitimate means at our disposal as a party and we make no apologies to stopping this kind of legislation, to amending this kind of legislation, to reforming this kind of legislation. We know there are Canadians out there who are frustrated, feeling abandoned by their national government, who we know have a sense that that which they have held dear, and those values that we have collectively embraced are disappearing. We say to them: Do not despair. Do not turn neighbour against neighbour. Do not become intolerant of those who are different. Maintain that sense of what you want your community and your province and your country to be. Join with us in fighting this policy not only in Bill C-21 but, in fact, right across the board to rewrite the values of Canada, to reduce this nation to nothing other than a piece of real estate on a monopoly board, to reduce our values to dollars and cents, to reduce this nation to a piece of merchandise, to be marketed, sold and where every program, every group and every region has a financial value attached.

No country can survive if we measure those who make a contribution to it purely in financial terms. No country can prosper if we attach a miniscule value to those who live in the last outpost and the farthest outreaches of the land. The citizens who live on the bill of Cape St. George, the citizens who live on Cape Spear, that piece

of Canadian real estate reaching farthest out into the Atlantic Ocean, for those who live in Prince Rupert or Smithers on the other side, those who live in Chimo in Quebec or in Iqaluit on Baffin Island, the value they bring to this country and the contribution they make to this country is every bit as important as that contribution of any citizen who has the privilege to occupy a seat in this place.

When we make national programs we must make those programs bearing in mind that Canadians live in communities from sea to sea, and that the flag of Canada must be raised and raised with pride in every one of those communities and that when the Government of Canada makes policy, it must reach out to people in every part of this land. We must understand always that the inherent wisdom, the native intelligence, wit and brilliance of those people who live in our rural economies and rural communities are not fooled by this defence of Bill C–21 by the member for St. John's East. That native wit and intelligence is insulted by it.

• (2030)

So I conclude my remarks with the words of Gordon Bradley who chaired the great convention in Newfoundland in 1947–48 on the future of Newfoundland, on whether it would seek union with Canada or union with the United States. And when there was squabbling, fighting, trickery and chicanery going on at the convention he rose and he called upon those assembled to seek a greater goal and a greater good. He said, "I warn you, the eyes and the ears of the people of Newfoundland are on us. They are watching us. They are weighing our every word. They want us to chart a new course for this country together. Let us not fail them. Let us fasten a new sail for this nation."

Those words are appropriate again today. Let us put aside the chicanery. Let us put aside the double talk. Let us put aside the insulting rationalization for an abandonment of rural peoples right across this country, indeed the abandonment of our urban poor. Let us reject this bill intelligently, or let us at least amend this bill intelligently. Let us begin to restore this tattered and broken Canada, broken and tattered at the hands of a government that has forgotten its primary responsibility; to build a nation.

Mr. David Bjornson (Selkirk): Mr. Speaker, Bill C–21 does more than change some of the rules of the Unemployment Insurance Act. It will implement the Labour Force Development Strategy. This strategy, as announced on April 11, 1989, is an important initiative of this government and will make a real improvement in Canada's ability to compete in the world economy.

The projected expenditures under the current UI program are estimated to be $12.7 billion for 1990. There will be no change in the over–all size of the UI program once the changes have been implemented. Spending reductions within the UI will occur primarily in three areas; changes to the program entrance requirements, benefit duration and penalties for voluntary quitters without just cause.

Additional spending will be made in more generous benefits for new parents, expanded coverage to workers over age 65 and an increased use of the UI program for development purposes such as skills training.

As a former businessman and an employer, I applaud the changes that have been proposed. As an employer I was often disappointed by employees who worked only long enough to qualify for the benefits of the UIC. These changes in program entrance requirements should weed out the lazy from the system and gear it more for those for whom it was intended. Second, as an employer I was concerned by the lack of skills training available to many employees. The additional emphasis on this area through UIC will greatly address this concern.

The primary responsibility for the skills training of the employed people should rest with the employers and their workers. This government intends to stimulate their commitment by promoting and reinforcing private sector training, thereby strengthening the competitiveness of the Canadian industry.

A total of $230 million is available in the Labour Force Development Strategy to increase training activity by the private sector through co–operative programs. The government's objective is to stimulate an additional private

sector training effort of $1.5 billion a year by 1994 to bring the total to approximately $3 billion per year.

This increase is needed is needed to raise the relative level of Canadian private sector training to that of the United States. We are placing greater emphasis, through new UI development uses, to help the unemployed improve their job prospects through skills training, self-employment and relocation assistance. The support for training and other developmental uses will be increased from the present 2 per cent to about 10 per cent or $1.4 billion in total UI expenditures. Developmental uses of UI funds will also include such things as relocation assistance, self-employment, entrepreneurship assistance and re-employment assistance.

As I stated earlier, I have in the past been discouraged with the incentive to not work which exists in the UIC. There have been changes to the minimum requirements for qualifying for benefits which should greatly address this concern. In addition, a greater flexibility has been added to the system to compensate for regional differences in the unemployment rate. For a government which is often labelled as uncaring and unfeeling, this is a very sensitive approach to the needs of Canadians. In my province of Manitoba, the minimum requirements for receiving benefits will vary from 10 weeks in the north to about 18 weeks in the south where jobs are more plentiful.

According to the 1987 data, this would affect less than 1 per cent of the claimants. On total, the average number of weeks benefits that will be paid to claimants will be 35. This amounts to four months more than the average claimant uses. That is, those who are using unemployment insurance as a temporary source of income until they find a new job will see no change to the benefits available to them. However, those individuals who have taken advantage of the system will suddenly find themselves receiving fewer benefits.

I do not believe the majority of my constituents, or Canadians in general for that matter, would be offended by such a change. We have stiffened the penalty to those who quit jobs simply because life is easier on unemployment benefits. Reduction in benefits to people who voluntarily quit jobs had to happen.

However, the Liberal Senators want to change this decision. They would like to send a signal to people that it is all right to quit jobs because UI will pay. As an employer, a taxpayer, and as a member of the House of Commons, I reject that way of thinking.

Unemployment insurance exists in this country because the citizens of this nation have strongly held beliefs in the work ethic and in a sense of fair play. A person should have the right to find a job and earn a living to support a family. When that right is taken away from them, they should be provided with a temporary source of income until they can find a new job. This is the only fair and just thing to do.

However, Canadians are like-minded in their opinion of individuals who take advantage of this belief for their own personal desire to avoid working for a living. In my opinion, the changes to the UI bill are a step in the right direction, returning the UI system to its original purpose of providing income support between two jobs.

I support Bill C-21 because of this. I find myself deeply troubled by the actions being taken by the members of the other House. The Liberal has-beens in that place feel they have some inexplicable authority to override the elected House of Commons concerning the legislation of what are constitutionally referred to as money bills. I, for one, can find only two reasons for their position. It is either a question of legal authority or moral authority. On both counts, I find their reasoning lacking.

First of all, with respect to legal authority, I believe my colleague the hon. Minister of State, has clearly enunciated the weaknesses of their position. As he stated, Section 53 prohibits the Senate from amending money bills. In this regard, he noted that Standing Order 80 of the House of Commons states that only the House of Commons has the right to direct, to limit and to appoint such bills which are not alterable by the Senate. I believe that this is just too clear to even debate.

There is no doubt that Bill C-21 qualifies as a money bill as it is responsible for the collection of money from individuals for the express intent of distributing said moneys to citizens through the offices of the Receiver General. In this area the authority of the Senate would seem to be quite clear.

The Senate has argued that the Monarch and the Governor General have the right, regardless of Section 53 of the Constitution and Standing Order 80, to override all legislation from the House of Commons. In the strictest sense, they are probably correct. However, the Monarch and the Governor General no longer have the role in legislation they may have had a few centuries ago.

Obviously, the reason for this change is the democratic principle which dominates the functioning and beliefs of the society we live in today. The Senators, regardless of their misguided belief, are not elected representatives of the people of this country. Any powers they may think they have via the Constitution, are based less on sound constitutional principle and convention than they are on delusions of long–departed power.

Allowing the Senate to override the House of Commons at any time, and particularly with regard to a money bill, would set a most dangerous precedent. The principles of democracy would be completely undermined by such an action.

• (2040)

In this particular case, the Senate has recommended the government spend an additional $2 billion on unemployment insurance. This kind of expenditure is absolutely unacceptable in a day and age when spending restraint is essential to help this country recover from the legacy of Liberal over–spending which created our outrageous national debt.

This fiscal unacceptability of their recommendations, however, are overshadowed by their desire to exercise powers for which they have no mandate from the people of Canada. The consequences of allowing the Senate to proceed on its course unchallenged shake the very foundations of democratic principles.

As elected representatives of the people of Canada, we in this House, from all parties, cannot allow them the luxury of this one transgression. The senators believe that changes to the Unemployment Insurance Act are too significant to be rolled through Parliament. However, changes to the Unemployment Insurance Act in 1977 and 1978 were only debated for one day when the Liberal government was in power. Those bills made significant changes to the act.

Let us not mislead ourselves. They are wrangling and obstructing this legislation because they are Liberals and this government is Conservative, and for no other reason. This sudden concern arising from the Senate smells so much of political bias that any arguments they make on a legal basis are absolutely shameful.

Some Senators have argued that, regardless of their legal rights interfere, they somehow possess this moral high ground on this issue and therefore have every reason to follow their present course of action. This, of course, is absolute rubbish.

As I have already stated, they are elected by absolutely no one. Their utter lack of constituents gives them absolutely no authority. However, some of these individuals have been members of Parliament in the past and they no doubt believe they still have the same rights which once belonged to them.

However, let me address the past record of this group. This is the same group of Liberals which practised the habit of annual government overspending with a reckless disregard for the taxpayers of this country. As a result of their habits, the citizens of this country have been saddled with an absolutely discouraging national debt. Programs spending was way out of control by 1984 when this government came to power. By that stage, the Liberals were spending $16 billion more than they were taking in in revenue.

I think we often forget how much a billion dollars actually is. The bottom line, however, is that the government was spending 25 per cent more on programs than it took in. Who did they figure was going to pay this bill? Their current recommendations indicate that they have not figured that out yet. Our government, however, has figured it out. The bill is to be paid by you, by me, and by all the citizens of this country.

Since 1984, we have taken drastic measures to correct the utter lack of respect for the taxpayers of this nation. We have turned a $16 billion annual deficit in program spending into a $9 billion surplus. While we were doing that, however, the $200 billion debt we inherited from the government gathered an extra $120 billion in interest. The program spending surplus did not occur until recently and the old spending habits of the government

and its departments provided the remaining $30 billion of debt.

Interest payments on the $350 billion are keeping this government in an annual deficit. Yet, the same Liberal Senators seem completely oblivious to the urgency to curb spending with their latest protest over Bill C–21 and their recommendations that the government spend an additional $2 billion on the program. This program is already accountable for over $12 billion of public money. I fail to see how people who have such a poor grasp of the reality of the situation we are in can claim to have moral authority on this issue. Their previous and current disregard for fiscal responsibility completely negates their argument.

As I mentioned, this government's changes to the Unemployment Insurance Act will not decrease the funds available to unemployment insurance but will make more necessary changes to the system to return it to its original purpose. We have acted legally through our legislative mandate and morally by being fiscally responsible. The Senators can make neither claim.

As a representative from Manitoba I am not one who wishes to abolish the Senate. The Senate should be reformed, but until such time that changes have been made, I am completely unwilling to yield to the Senate for the reasons I have stated.

The Senate was intended to be a House of sober second thought and in this regard it has fulfilled this mandate. The Senate has had the bill for several months and its committee has heard from many witnesses. It has analysed the bill, brought attention to perceived weaknesses and submitted its amendments. The government has recognized the strengths of one of the Senate's amendments and accepted it, and rejected all the other recommendations. The Senate has fulfilled its mandate. It is now time for the legislators in the House of Commons to continue to legislate. The time for further debate has been stretched to the limit. Bill C–21 has been thoroughly debated and examined.

In addition to the Senate's examination, this House has debated the bill for at least 145 hours, through second reading, committee and third reading. It is now time for the Senate to provide sober second thought to other issues of concern to the people of this great country. It is about time the Liberal Senators stopped pursuing their own agenda by grandstanding on issues which can garner the greatest public attention. They are about as concerned with the public good as they are that the sky will fall tomorrow.

The issue before us is a political one and has nothing whatsoever to do with proposed changes to the Unemployment Insurance Act. The Liberal Senators have yet to accept their defeat of 1984 and 1988. It is about time they woke up to reality.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have listened all afternoon to the debate. My friend and colleague for Gander—Grand Falls entitled his speech on Bill C–21 and the proposed amendments from the Senate, "Which Side of the Line Do You Live On". I want to make my comments in terms of "Breaking the Faith with Canadians".

The speeches this afternoon started with the government House leader. He attacked the Senate, he attacked the constitutionality of the Senate. He waxed the most eloquent I have ever heard him wax. He made a very good speech attacking the Senate. Canadians watching will think that the Senate is really the issue in this debate. I want to say at the outset very clearly that it is not the Senate. Up in northern Ontario when we are hunting moose we do not get distracted with rabbit droppings. The Senate is not the issue here, although the government would like Canadians to think it is.

The issue here is C–21; breaking the faith with the Canadian people. Why have I focused on Bill C–21? The New Democratic Party, in its criticism of C–21, correctly said that the provisions were Draconian. First of all, the government removes itself from participating in the unemployment insurance program. It is breaking the social contract, a contract which was entered into in the 1940s between government, employers and the working force of this nation. It saw its flowering, as it were, in 1971 when the then Minister of Employment and Immigration, Bryce Mackasey, introduced an amended unemployment insurance program, which is the one we have today, or had if C–21 gets passed.

• (2050)

In that Unemployment Insurance Act of 1971 the coverage was broadened, the contract expanded. We included school teachers, the armed forces and fishermen, and we expanded the coverage. We introduced sick benefits and maternity benefits. The government picked up the cost of the unemployment insurance program if the national unemployment level went above 4 per cent. That was the contract, a contract that said to the workforce, the working men and women of the country:

"If you become unemployed through no fault of your own, here is the safety net." The government participated.

Along the way, because of government's inability to achieve full employment, the unemployment rate in the country rose and the government found itself putting more and more bucks into the unemployment insurance program. From about 1975 or 1976 right through the period of 1980 to 1984, the Liberal governments of the day consistently moved further and further away from the social contract.

It was a principle of gradualism. Gradually, more and more of the cost of carrying the unemployment insurance program was sloughed on to the shoulders of the employers and the employees.

From the principle of gradualism, we have this quantum leap which is Bill C–21. The Tories have done in one fell swoop what it took the Liberals some 15 years to accomplish. In Bill C–21, the government removes itself completely from any responsibility, from any participation in the contract for unemployment insurance.

Now the Tory government can say: "Well, we don't have any more interest in what the unemployment rate is because the government now doesn't have a financial finger in the pie." One of the greatest arguments for having government participate with employers and employees is that whenever the cost to the government goes up, it makes it stop to think about its programs, particularly the whole question of full employment. This government has kissed any dream of full employment good–bye. There is no opportunity anymore for that.

Mr. Boyer: That's too cynical.

Mr. Rodriguez: No, it is not cynical. I want to tell the member for Etobicoke—Lakeshore that it is not cynical. That is Conservative thinking. They believe you have got to leave it all to the market–place. It is a selfish, atavistic mentality that can produce Bill C–21. It is cruel and heartless. And now they come and make the Senate the bogeyman.

The saddest part of this whole scenario has been the role of the Liberals. The Liberal for whom I have a great deal of respect in terms of his knowledge of the unemployment insurance program is the hon. member for Notre–Dame–de–Grâce. This afternoon he made a very convincing argument that all of the proposals from the Senate, even the ones the government has accepted, really do not do anything to restore the unemployment insurance program pre–Bill C–21. It is just window–dressing.

Let us say, for example, hypothetically, that the government said: "We will accept everything that the Senate has recommended." The government accepts it all, goes back to the Senate to get its approval, and Bill C–21 becomes law. Has it changed anything for the regions of the country? Not one thing. How can any self–respecting Liberal in the House of Commons support the recommendations from the Senate? They cannot support them because they do nothing to deal with the glaring flaws of Bill C–21. We said we were opposed to C–21 because it contained Draconian changes to the Unemployment Insurance Act.

Those recommendations from the Senate do not improve C–21 to anywhere near the point where we could support it. The only way you can improve C–21 is to squash it and go back to square one. That is the only improvement. We want to make it crystal clear, we are not hung up on these proposals from the Senate because of our longstanding view of the Senate. I do not deal with these issues in the way I would like the world to be. I deal with these recommendations and with the Senate as a reality.

If the Senate had said "no" to Bill C–21 and sent that recommendation back to us, I would be supporting it, but I will not. I will not beforehand be saying, "Oh, if we lose here, I will ask the Senate to fight it for me". I am not chicken feathers. If I cannot do it in here, I am not going to ask my big brother over there, or my old uncle who sits two days a week, to do it for me. I am not going to do that.

The Liberals have used that other card called the Senate. We are all going to see the proof of that if and when the GST goes to the Senate. We will see how tough those old businessmen, those old boardroom types over

there, are going to be with the GST. They have to do what they have to do. They have to do what they constitutionally are entitled to do. I have to examine what they send back, if they send back anything to this House.

What they sent back on C–21 is not worth the paper it is written on and the Liberals know it. Yet they are going to get up here and play that card. The Liberal critic for unemployment insurance said it does nothing to improve the bill. Yet he is going to stand up and vote for it. That is breaking faith with all the people who appeared, not only before the legislative committee as it travelled around the country, but all the folks who appeared before the Senate committee as it travelled around the country. That is breaking faith with them.

The coalition of labour unions that met with us and the Liberals and tried to meet with the Tories but could not, told the Senate to scrap the bill. They said that the changes the Senate was proposing are not enough to make them accept it. They said the same thing to the Liberals over here. So that is breaking faith.

Who gets affected adversely by Bill C–21? Well, the Canadian Labour Congress, using figures from StatsCanada, put together the impact of C–21 on the country. Do not forget, Mr. Speaker, C–21 shortens the period of collecting benefits and it lengthens the period to qualify. That has disastrous effects in terms of the numbers of people and the amounts of money in various economic regions of the country.

Take, for example, the effect of C–21 on the Avalon Peninsula. Under C–21, 10,000 would not qualify and 5,440 would be losing weeks. So at the front end we have 10,000 and at the back end we have 5,440 people, for a total of 15,500. There are only 45,000 people collecting unemployment insurance benefits on the Avalon Peninsula. This includes Bell Island and St. John's.

For all of Newfoundland, 24,180 people would be adversely affected. One–third of all of the people collecting unemployment insurance right now will be adversely affected. In Sudbury and Sault Ste. Marie, two communities that I am familiar with, there are a total of 9,220 people who will be adversely affected out of a total of 45,600 people collecting unemployment insurance.

• (2100)

Let us go to British Columbia. In northern British Columbia, the number of people who will be adversely affected is 6,760, and a total of 59,710 British Columbians will be adversely affected. For all of Canada, half a million people collecting unemployment insurance will be adversely affected by the changes in Bill C–21.

When these were raised with the minister, all she could say was that she did not believe the figures. Well, if she does not believe the figures, what are her figures? We have not seen the figures from the department. Where are the figures? They have broken faith with the people of Canada, broken faith with those who worked and contributed to the unemployment insurance fund.

Here is an example of heartlessness incarnate. The Minister of Employment and Immigration appeared before the Senate committee and this is what she had to say: "The worst misconception of all is that there are no jobs available. The fact is that studies, surveys and our own experiences tell us that there are jobs available, that jobs are available across Canada and if given active rather than simple passive support the unemployed are better able and more likely to take advantage of these opportunities." That was stated by the minister before the Senate.

What does the minister mean? Do you know what it means when she says: "and if given active rather than simply passive support", Mr. Speaker? "Active" means you kick them off the rolls. You force them to move out of their communities. That is what that means. "Passive support" means paying them the benefits for which they paid premiums to get coverage. That is what passive support means in the minister's words.

There is not a more heartless comment, but what do you expect from a minister who was born and raised in Rosedale in Toronto. Does the minister understand what it is to have worked for 35 or 40 years in the fishing industry in Newfoundland and then suddenly the fisheries close down and there is no work? What do you do with a 49 year old person?

Mr. Stupich: Retrain him.

Mr. Rodriguez: To do what?

Mr. Stupich: To be a lawyer.

Mr. Rodriguez: To be Tory and to get elected on the Tory side? I do not think there will be any Tories elected for the next 100 years in this country.

Talk about breaking faith. Here was a fellow who said of Fisheries Products International when it closed the plant in Trepassey: "I was led down the garden path by the vice-president of Fisheries Products." He was led down the garden path. Who is doing the leading down the garden path with this? The Minister for International Trade, the member for St. John's West said in October 1988 during the election campaign, when asked about changes to the Unemployment Insurance Program: "That is nonsense. We will be looking at it in a couple of years presumably to see what improvements can be made, but there are no changes planned to the UI."

Now who has led whom down the garden path? Barely two months after they won the election we have Bill C-21. Breaking faith with Canadians. Promising them one thing and then violating the promise and breaking the faith. That is what it means.

What has happened here over Bill C-21 is that we have had the Senate and the House of Commons, with the Senate being pitted against the House of Commons. In this pitting match, who are caught? The unemployed. They have not been able to enjoy the benefits that should flow from an unemployment insurance program that is geared for them.

If the government was really listening, who did they listen to to come up with Bill C-21? They certainly did not listen to the standing committee in the previous Parliament that looked at the unemployment insurance program and came up with 90 recommendations, 89 of them unanimous, ways in which we could improve the unemployment insurance program. Instead, this government has seen fit to divorce itself completely from the social contract. They have broken the social contract. They have turned the unemployment insurance program over to the employers and the employees. Not only that, but by doing that they have increased the premiums because they have removed themselves from any responsibility for variable entrance requirements and for fishermen's benefits.

What else did they turn around and do? They say to the same people who are paying into the program: "Now you have got to pay for the training, upgrading and the basic education of the unemployed". A total abdication of responsibility. This government has broken faith with the Canadian people. They have broken the social contract. I want to tell them that there is a big political price they are going to have to pay.

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, I have listened to a lot of debate today and yesterday. There are really two issues here. One is regarding the substantive provisions of Bill C-21. The second is related to the constitutional process involving the Senate and revision of bills passed in this House.

I would like to deal primarily with that second concern, because I think both require some addressing here in this Chamber. Frankly, when I hear the impassioned and eloquent speech from the hon. member representing Nickel Belt and the answers that have been given to many of the points he has raised in this House, it makes me reflect again on why we even need in our Parliamentary system any other chamber to be busy with the kind of legislation that is coming here when the issues are represented by this legislation are receiving very full debate right here in the Chamber of popularly elected representatives.

[*Translation*]

Mr. Speaker, it has always been said that the Senate's role is to study legislation dispassionately. Recently, however, it has become a place for political dealings where people use their position to defeat bills that were passed democratically by the elected members.

The Liberal senators said that they had established a special committee to give those who had not appeared before our legislative committee a chance to express their opinion. Then why did the 54 witnesses chosen to appear before the special Senate committee represent groups or individuals who had already appeared before the legislative committee of the House?

Why did the special Senate committee decide to hear the representatives of groups who had already opposed almost all the government's proposals?

• (2110)

And why didn't the special committee of the Senate consider the views of recognized experts on unemployment? Because the Liberal senators want to show only one side of the question. They want to scare the public and have no interest in taking a serious look at the real, positive impact of this bill.

The Minister of Employment and Immigration told the committee that its findings indicated it had failed to raise a single new point of any substance in the bill.

The special committee of the Senate is also determined to delay the process for as long as possible. The provisions of Bill C–21 consider regional needs in areas of higher unemployment according to a scale that makes the system more straightforward and more equitable for all claimants. Instead of passing Bill C–21, however, with its variable entrance requirement, the Senate Liberals decided to wait. This means that many people who would otherwise be eligible for unemployment insurance today cannot receive those benefits. Canadians know perfectly well that the Liberal senators who represent the majority in the Senate are the only ones to blame.

Canadians also know that Senate Liberals are preventing many people, including mothers and fathers of newborn children, from taking advantage of expanded benefits under this legislation. There are people who depend on these benefits, and the Senate is quite content to let things drag on.

Canadians will recall this is the same group of Liberal senators that prevented the passage of other bills for political reasons.

We are now certain of what we already knew. The demands of the Senate Liberals had no reasonable basis and were meant only to scare the public and needle the government. We cannot afford to let ourselves be manoeuvered into this kind of position again, Mr. Speaker.

[*English*]

Yesterday, the government House leader, also speaking largely about the Senate and its role in a democratic state like Canada, referred to a book entitled *The Modern Senate of Canada* written by F. A. Kunz. From that book, the minister quoted many extracts but the one which I would like to refer to and pick up on is the following. For anyone who wants to compare, this appears at page 9093 of yesterday's *Hansard*:

> But these arguments and counter–arguments respecting the Senate's financial powers, although theoretically interesting, are now–a–days little more than examples of academic pedantry and to discuss the Senate's right to revise the Government's financial program in terms of conflict is really to present a very misleading picture of its functions in the modern state. On the contrary, the Senate has acted in full understanding of the meaning and implications of responsible government and accepted as binding upon itself the proposition that it should not unduly disturb what has come to be called "the balance of ways and means"; or, as Hopkins says, "that it would be inadmissible to tamper with the overall financial program submitted by the Government in its budgetary proposals in such a way as to effect a material change in the budgetary surplus or deficit envisaged therein."

The key part of that, in my view, is this reference to the modern Senate of Canada having acted in full understanding of the meaning and implications of responsible government.

The country has, somewhere on our public agenda, and have had for decades, the issue of Senate reform. It is currently in abeyance, pending the outcome of the Meech Lake Accord. One of the things that this whole debate is doing is raising to a much greater prominence before Canadians this enduring, unfinished bit of Canadian business, this hold over from an entirely different era representing a totally different perspective on government, the Canadian Senate.

By its most recent actions, when you take them in the same flow as we have seen with Bill C–22 previously, or borrowing bills that were held up costing Canadians some $14 million a day every day they were delayed in the Senate, and many other things that have happened in the other place since 1984 where the majority is of a different political persuasion from the popularly elected majority in this Chamber, it has brought into very sharp focus the fact that we Canadians have been unduly long in making the right final decision with respect to how constitutional government shall be structured in this country.

The origins of the Senate, if I could just go back to that, really come from what could only be called archaic conservativism. Way back prior to Confederation, the whole time when the family compact was in power, the pre–eminent position of the church and the conduct of affairs of state, the garrison mentality, the colonial economy, there was an effort to replicate here in Canada the social order of pre–revolutionary Europe. That archaic conservativism was supplanted not by really radical ideas. The rebellions of 1837 both in Upper and Lower Canada were repelled and replaced by Confederation conservatism. It was another idea.

There were places where this primitive conservativism lingered for a while, most particularly in the province of Quebec, supported by the doctrines of ultramontanism. It continued for a long time where the women only received the right to vote in 1940, where a department of education was not established until the early 1960s, and where finally the role of the modern state swept aside even those last remaining remnants of an archaic conservatism.

The one lingering vestige of that pre-Confederation, early 19th century thinking, can only be found today on the banks of the Ottawa River here in Ottawa, the Senate of Canada. This idea that there has to be an appointed Upper House that can supervise and control the actions of the tempestuous, popularly elected, democratic assembly is a notion that may have fitted a much earlier Canada, but it no longer fits this country.

• (2120)

The example we have with Bill C-21 typifies that, but it is only one example. In fact, all the provinces that had appointed upper Houses have abolished them. Some of the provinces, for example, the province of Ontario where politics is always seen in very pragmatic terms, opted for an elected upper House. Under our Constitution of 1841, the province of Ontario or Canada West at that time, had an elected upper House. We continued with that until 1867 when again the pragmatic Conservatives and pragmatic Ontarians decided no, let us be done with this; it makes no sense to have an upper House either elected or appointed, and it was dropped from the constitution of the province when Ontario came into Confederation in 1867.

Prince Edward Islanders are known to be contrary-minded from time to time. When the Liberals are in power in Ottawa they elect Tories to come here. When the Tories are in power in Ottawa, Islanders elect Liberals to come here. Islanders have always displayed a healthy degree of independent-mindedness. They too, in the mid-nineteenth century, decided if an upper House we are to have, let us have an elected upper House. In the Constitution of Prince Edward Island they changed it in order to have an elected Upper House. Again, Prince Edward Islanders, having found out that an Upper House of whatever kind, elected or appointed, fit very poorly in our system of representative democracy and simply was not needed, wisely decided to reform their Constitution and let the Upper House slip into the mists of history where it rightly deserved to be obscured.

Only at the federal level have we still with us an appointed Upper House.

We have seen this question of reforming the Senate as an agenda on the political debates of this country for decades. The understanding that Kunz refers to in the other place is that those who have been appointed to the Senate will always act within the very narrow tolerances of a truly parliamentary democracy. They have largely enjoyed office by not disturbing.

It has been an irony that people have pointed to the Upper House and have said that while it serves a good role, we want it to do more. Whenever the Upper House does something and exercises power, there is an outcry. This is not only something when the Progressive Conservatives form the government of Canada, as is currently the case, but I recall this having been a cry that was heard at various times back through the 20th century in Canadian political history.

The point is that we are only happy when the Senate is docile. The moment that it begins to get involved politically in legislation and begins to take these initiatives, people in this country, who are all democrats whatever party they are in, quite rightly resent this development as being most untoward.

One can only characterize the nine amendments which have come back to us from the other place emanating from a Liberal-dominated majority in that place and on that committee, and the political activity that has gone on with that, as a good reason to reject these amendments and to work to rejecting the continuing role of the Senate—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Broadview—Greenwood.

Mr. Mills: I rise on a point of order, Mr. Speaker. The hon. member knows the deep respect that I have for him. However, I do not believe that this debate tonight is about the Senate of Canada. This debate is about the conscience of the country and—

Mr. Boyer: I rise on a point of privilege, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will listen to the hon. member's point of privilege and then I will listen to the hon. member's point of order again.

Mr. Boyer: Mr. Speaker, I had the floor. I was speaking on debate within the time allocated to me. The hon. member purported to raise a point of order which was in fact a point of debate. He has been here long enough to understand the distinction between a point of order and a point of debate. I submit to you, Mr. Speaker, that my point of personal privilege is that members rising on a purported point of order in order to disrupt a Member of Parliament who has the floor and who is speaking is out of order.

The Acting Speaker (Mr. Paproski): I do not think it is necessary for us to carry on in this regard. I know the hon. member was coming to the end of his speech and he ended up speaking about the Senate. I do not think there is a reason for it, but I will listen to the hon. member's point of order if there is one.

Mr. Mills: I accept that, Mr. Speaker. I just think we should focus on the fact that there are unemployment insurance offices across the country right now which are the real essence of this problem and that is where I wish we could focus.

The Acting Speaker (Mr. Paproski): I will give the hon. member one minute to close off his debate.

Mr. Boyer: Thank you, Mr. Speaker. I will address my remarks directly to the hon. member for Broadview—Greenwood, because at the beginning of my remarks I said that there are two issues raised by the matter that is before the House now. One is the specific subject—

The Acting Speaker (Mr. Paproski): The hon. member will raise the question through me.

Mr. Boyer: Yes, Mr. Speaker, through you, I would remind all hon. members, including those who seem to think that I was not talking about the subject matter, that I stated that there were very clearly two issues raised by this. One, the substantive provisions of Bill C-21, and I did direct remarks to those. Second, I said there is the whole role of the Senate in the country. If the hon. member for Broadview—Greenwood wishes to go on record as supporting an unelected, an appointed Upper House having the final say in matters like this, I would very much welcome that being part of the public record of the country.

The Acting Speaker (Mr. Paproski): I believe the hon. member's time is over. I do not think we require any more points of order or points of privilege. The hon. member for Thunder Bay—Nipigon has the floor on debate.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, the government House leader stated yesterday that his government cannot accept the Senate amendments to Bill C-21, a bill to change the unemployment insurance benefits to the workers of the country.

By rejecting all the amendments but one, the government is saying that all Canadians must accept Bill C-21 in its original form. Before getting into the substance of what I want to say with respect to this, along with my friend and colleague who was trying to raise a point of order, I would like to compliment and thank the Senate for having the strength to take this bold move to reject this legislation. I compliment it for using the wisdom of its years of experience in this very important social area. I thank the Senate, instead of chastising it, for its belief in the institutions of the country that have made Canada great, and particularly the social policies which it is trying to protect in this legislation.

Bill C-21 is wrong. It is wrong in principle, wrong in what it proposes, and wrong in its philosophy. This bill will change the insurance of the income of our workers in the country. It will change what they have come to expect and deserve. This is a bill the government promised it would not pass in the House.

The Prime Minister said in 1984 that social programs in our country are a sacred trust. He told Canadians during the last federal election in October 1988 that there was absolutely nothing that would prevent the government of Canada from maintaining all of its social programs. The Minister for International Trade told *The Evening Telegram* of St. John's on October 14 that after consulting with the Prime Minister, he could confirm and assure Canadians that "no one is planning any changes in the Unemployment Insurance Act of this country".

• (2130)

My colleague from Hamilton in his comments earlier outlined more of the substance of the speech of the Minister for International Trade on that particular date. The minister assured the country and Canadians on many occasions that nothing would happen with unemployment insurance. That was before the election.

The fact that we are debating this issue points to the contradictions in the words of the Prime Minister and the Minister for International Trade.

I said the word "contradiction" and, Mr. Speaker, you know as well as I that we both come from areas where a more explicit word would be used to say what happened prior to the election in terms of what the Prime Minister promised to the people of this country and in terms of what the Minister for International Trade promised the people of Newfoundland. We could be more expressive. I would like to use that word tonight, but I am sure that you would think it unparliamentary, so I will just say that those words were contradictory to what they are doing here today.

We on this side of the House are once again compelled to bring to the attention of Canadians the inconsistencies and the contradictions between what this government promised during the last election and what it is delivering here today.

The government will no longer contribute to the unemployment insurance fund of Canada. Instead, the financing burden will be placed on the shoulders of all Canadian workers and all Canadian employers.

The estimated government cost of unemployment insurance expenditures is $2.9 billion. By abdicating its responsibility to pay unemployment insurance contributions this government will force employees to pay an additional $1.2 billion in their premiums, and employers will be forced to pay $1.7 billion in additional contributions. This government will pay nothing. This is an abdication of responsibility for a fundamental and basic social program that Canadians have earned and deserve and have come to expect.

Not only will workers be paying more; they will be paying more and getting less. The changes to the unemployment insurance system will shrink the safety net by making more stringent the qualifications to receive unemployment insurance and the period for which benefits are paid. Obviously it appears that the workers in our country need protection.

Under the present system, total entitlements include initial benefits, that is, one week of benefits for every week worked, plus regional benefits. Under the new legislation there is only one set of benefits calculated using the regional rate of unemployment and the minimum entrance requirements.

Let us look at what this does to the regions of this country, and particularly the people in the region that I represent, the people of northwestern Ontario. With an average unemployment rate of 7.6 per cent, they will witness an increase in the minimum entrance requirement from 12 weeks to 18 weeks under this new system. That is an increase of 50 per cent.

Northwestern Ontario will see the duration of entitlements reduced from a minimum of 26 weeks to 18 weeks, and a decreased maximum of 50 weeks to 41 weeks in benefits. In other words, workers in northwestern Ontario will be paying much more and, as I said earlier, be getting much less.

Like so many other policies of this government, for example its GST proposals, its new taxes which have been implemented over the years, what it has done to the passenger rail service in the country, what it is doing with the rural post offices and now the changes to the unemployment insurance program, they show a complete disregard for northern Ontario, a complete disregard for rural Canada and a complete disregard for the small cities in this country.

Did this government consider what sort of an impact such changes would have on the rural Canadian economy? Many local industries and firms are set up to employ seasonal workers long enough so that they can apply for UI benefits. Under the new system these firms will have to make the choice of laying off workers without enough weeks to qualify or retain those workers for a few additional weeks increasing their costs. Most firms could not afford the latter option and remain competitive, which again shows that our workers need protection.

Further evidence of this government's ignorance of northern Ontario can be found in its plan to put $800 million back into the job training program. The government failed to mention that between 1984 and 1989 it cut training programs in this country from $2.2 billion in 1984 to $1.5 billion in 1989, a decrease of over $700 million. Yet now it is putting back $800 million by taking the money out of the unemployment insurance fund. This will be paid by the employers and employees of this country. Using simple arithmetic, the government takes out $700 million in 1984 and puts back $800 million in 1989. It does not even respect the cost of inflation in this program. This is just another issue like the goods and

services tax issue. It is trying to mesmerize all Canadian workers with its use of figures.

This government claims that by offering training programs through this system it will allow the unemployed to use UI as a trampoline, not as a safety net, that it is a springboard to do greater and better things than the job that they have lost. Supposedly the unemployed would be launched into new productive careers by taking advantage of these fantastic training programs.

How will residents in a single-industry town in northern Ontario and other sections of Canada use this springboard of opportunity to advance themselves? How can they expect to train someone for a job that does not exist in these single-industry towns? When the single industry closes down there are no jobs left to be trained for.

What it causes and what we have been talking about in all smaller communities is the loss of our young people to the bigger centres. This new, improved Unemployment Insurance Act is just going to augment this system. It will move our families out of the small towns into Toronto, Ottawa, Montreal and other large centres. They cannot find a job, the training program, or the job the training program will provide other than by moving into these large centres.

Moreover, how can you realistically expect to retrain older people such as our grain elevator workers and ship workers who have little or no other experience? What I am talking about here are people who are going to be losing their benefits and are just over the ages of 40, 41 and 42 and up to about 50. What are they going to do for the balance of their careers, the 15 productive years after they are laid off? Can you train these people for jobs? Can you offer them something that would make their lives more independent than they are today?

What about sawmill workers? This government can remedy the problems that exist in the sawmill industries of Canada, especially northern Ontario, by eliminating the export tax of 15 per cent, thereby ensuring that there will be no unemployment in these fundamental industries. Yet, it refuses to invoke clause 9 of the memorandum of understanding signed and embedded in the free trade agreement which causes distress among sawmill workers not only in northern Ontario but in British Columbia, Alberta and the Atlantic provinces. All it has to do is invoke clause 9 and get rid of that memorandum of understanding.

What about our new Canadian citizens or older immigrants who may have some difficulty in speaking either the English or French language well? What sort of retraining will we be able to offer them? It is obvious that these workers will now be paying into a system from which they have no guarantee or receive any benefits or qualify for these training programs.

I do not need to remind you, Mr. Speaker, that northern Ontario as well as other parts of Canada is not renowned for its high tech industries. This policy encourages those who are able to be retrained to move away from rural and small town areas in pursuit of further training and better job opportunities in large cities. It will encourage the youth in small town Canada and in rural Canada to leave their homes, their parents, their loved ones, their grandfathers and grandmothers to seek employment in the large centres where they may not want to go.

I had the privilege of attending a conference on this matter in Timmins, Ontario just a short while ago at the invitation of the Premier of the Province of Ontario and his ministers. The subject of the three-day conference was the losses in our communities of our young people.

Did this government take into full consideration the implications of adopting such an unemployment insurance system? Did it calculate the impact it will have on the seasonal workers in Canada who rely so heavily on UI payments though through no fault of their own? Was any thought given to the impact these measures will have in small communities where students will be driven to leave to seek employment elsewhere in this country?

What will happen to the small businesses in these communities which are dependent for their livelihood on the existence of that community? How will these small businesses absorb the extra costs of UI? Many of these questions and more obviously have not been addressed by this government, nor does this government want to answer them.

• (2140)

In closing, I just want to re-emphasize that this government is negligent in this area. It imposes its will on the Canadian people again. We realize more each day that this government does not care about our small cities, about rural Canada, nor does it care about our single industry towns. It certainly does not care about the

north. It certainly does not care about small business. This government, by this legislation, certainly does not care about the workers.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I appreciate the opportunity to speak tonight on the revisiting of Bill C–21 to the House.

I did have an opportunity as a member of the Standing Committee on Labour, Employment and Immigration to spend some time dealing with the bill in its original form. As part of the legislative committee I travelled with the committee and had the opportunity to hear about Bill C–21, to hear from the people across Canada, from nearly 200 different groups that made representations.

We have also had the opportunity to hear some very eloquent and sincere arguments both for and against Bill C–21. The problem I have with many of the approaches taken by some of my colleagues is like trying to paint a picture. It is easy to do it if all the paint you have is black or white, but there is no issue facing the government today that is that simple. We are not looking at black or white. Surely these members have recognized that there is a need for all shades of grey. When we are faced with difficult choices and decisions to be made, there has to be a balanced approach. We cannot just advocate black or white. We cannot just advocate the simple answers.

First, I should like to cover some of the reasons I think that there is a need for the changes the government is proposing. Second, I should like to say why these changes are not only reasonable but in fact very wise.

Most people would recognize and agree that the need for changes to the UI act is readily apparent. Let us look at the demographics in the workforce in Canada. They have not stayed the same. If we think back even to when I was younger and starting out in the workforce, we see that the numbers of people who were in the workforce and the kinds of jobs and training required have changed dramatically.

Let us take a couple of examples. First let us look at the women in the workforce. Who would have thought 30 years ago that more than 60 per cent of the women in Canada would be active participants in today's workforce? Women's participation in the workforce has more than doubled in the last 20 years.

Who would have thought we would be approaching a time when the seniors of this country would be not just a minority, but in fact approaching the point where they could be a major segment of the population in Canada? What is surprising is that more and more of those seniors actually want to work. They want to work longer than our parents did in the past. Any system that we in this Government of Canada adopt has to be able to suit these changing demographics.

For the past 20 years we have seen a dire shortage of jobs for our youths. One of the most heart–rending situations you could face in Canada over the last 10 or 15 years was seeing well trained young people who wanted to work but who were having a very, very difficult time finding suitable jobs. Those times are changing. We are going to be reaching a point in time in the next few years where there will again be a shortage of young people qualified for the jobs required of them.

We have had changes on the job scene itself. Everyone recognizes that we have far more service jobs now than ever before. We have jobs that require high training. Some people have even suggested that there will be in excess of 30 per cent of the workforce requiring education past high school. Some 20 years ago this would have been unthought of. It would have appeared ridiculous.

The fact in our workforce today is that there is not just a need for training for high technology jobs. There is a need for retraining. Many of these workers are going to be re–entering the workforce in different ways which require different training. There is a requirement for this government to address those changing needs.

Then there is the recognition across Canada by a high percentage of the population. In fact in excess of 75 per cent of the people in Canada has indicated that the government has to reform the unemployment insurance system. They recognize that there are misuses and unfortunately even abuses in the system. These misuses and abuses require a reformed system. As a government we have to hear what the people are saying. We have to see what is happening to the system, and we have to make some of those changes.

The biggest message we have heard in this regard coming from industry, people in the workforce who are dealing with it on a day to day basis, is that we have to reintroduce into our unemployment insurance system an incentive to work. Many people who know the workforce and know the jobs are there are saying that we are getting dangerously close to motivating or encouraging people not to work rather than the reverse.

In talking about Bill C–21, unemployment insurance and any changes to it we must go back and recognize the primary reason for the unemployment insurance system of today. It is geared to those workers who are out of work but who are willing, available and anxious to work.

I think another point has to be discussed before we can reach any solutions in the reform of the UI scheme as seen in Bill C–21, that is the recognition by the House and by people across Canada of the need for restraint.

When the Conservatives took office the Government of Canada was using 32 cents of every tax dollar to pay the interest on the debt. If this government had not exercised restraint or had not taken the actions that it has, the interest on the debt would now be taking 50 cents on each dollar and would be fast approaching the point where it would be 60 cents and 70 cents. Nobody in Canada wants that situation to occur. It is not only necessary, but it is essential that we recognize the need for restraint and we exercise it.

• (2150)

Several speakers today have talked about the hardships we are imposing on our workers. I should like to make the point that the real hardship we could impose on the workers of Canada is if we do not get our debt under control, if we let the interest payment on the debt rise to the point where we do not have the dollars to exercise sovereignty in Canada or continue to pay the benefits to which the people of Canada should be able to look forward.

In achieving restraint in Bill C–21 there was the need by the government to recognize that it is possible to achieve more and spend less. Some people say that is ridiculous, that of course you cannot do that. Companies across Canada and the United States for the past 15 years have been finding out that in fact you can. Our search for excellence has taught us that not only corporations but also government should find it possible to be able to achieve some of the things that we need to achieve and still exercise the restraint that we know we should be exercising.

We cannot necessarily afford any more to do everything we want. We have to be able to make tough decisions. It is time for choices. It is time for us as the government to try to achieve a balance between the changes and improvements we want to see in the program and what we can afford, what the dollars will allow us to select.

The original design of the UI system was for short-term protection of workers who were unfortunate enough to find themselves out of work, out of the workforce and needing protection and some form of guaranteed income until they could get back on their feet. We still need that protection, and any balanced program will ensure that it is retained.

The more innovative part of Bill C–21 involves the choice between passive and active programs, programs that are going to address the real needs of the workers who find themselves out of work. Those workers do not just want their unemployment insurance cheque every week. Workers who are truly searching for and wanting a job would like to be able to find that job. They would like to have an unemployment system that will respond to whatever their needs are to ensure that they get that job.

The people who will require this are people my age, and in some cases younger, who have found themselves out of the work that they have done since they were young. They do not want unemployment insurance; they want jobs. They want their dignity back. They want their pride. That entails assistance. This government must be in a position to provide that assistance. Bill C–21 puts that flexibility in the system so that we can respond.

There are women, as I mentioned earlier, entering and re–entering the workforce in record numbers. In many cases they also require special assistance, orientation and in some cases special training.

We have all seen the tragedy of an industry that has had to shut down. There are unemployed people requiring special assistance. Whether it be training, relocation assistance, you name it, this government should be in a

position to help them find work, not just provide the unemployment insurance dollars.

Finally, in making choices we have to recognize that there are regional differences in Canada. Not every one of our areas in Canada has the same job opportunities. This government recognizes that the differences between the various regions should be recognized in Bill C–21. Those who have more opportunities, those who are able to find work, should not expect the same levels of support as those people in areas of Canada where jobs are not as readily available.

The government has put together in Bill C–21 a good package, a balanced package, and a package that contains a lot of wisdom, for not only does it provide all the flexibility, all these improvements to the system, it recognizes that it cannot do it all alone. We all know the government cannot administer these programs totally on its own and do it successfully. It has brought in a good balance of private consultants or private firms that have a role to play in the employment scene created by Bill C–21.

Industry is going to be motivated and encouraged to play a bigger role. The communities are going to find that they are essential in the decision-making process under Bill C–21. Colleges, local as well as regional, will become involved in this process.

The bill has been put together wisely. We have travelled. We have heard what Canadians have had to say. We amended the bill. Now the Senate, which is supposed to be providing the wisdom and sagacity that we would expect from a senior House, has tried to destroy this delicate balance created in Bill C–21. That we cannot allow.

This bill was designed to provide work for people. We want a nation of working people, not a nation of people who lose their jobs and do not know how or have a government prepared to give them the assistance they need to get back on their feet and into jobs.

Mr. John Brewin (Victoria): Mr. Speaker, I think the member who just spoke described the government accurately as a government that does not know how to get people back to work.

I am standing to oppose the motion of the Liberal Party which is to amend the message to the Senate. We will be strongly opposing the message the government wants to send to the Senate, which is to get on with the passage of this very bad piece of legislation.

In the debate so far we have heard a number of extraneous points, a number of points which may have some bearing if we were examining a reasonably good piece of legislation, but we are not. We are looking here tonight at legislation which is bad for the people of Canada and which must be defeated before it leaves this Parliament.

An analysis has been done of the effect of this legislation region by region. I should like to draw the attention of the House to the effects on Victoria and Vancouver Island.

First, the average unemployment rate on Vancouver Island and in Victoria was 11.9 per cent in 1988. The number of persons receiving benefits under UI was 51,270. The number who will not qualify as a result of this bill would be 3,070. The number who will lose significant weeks due to the higher entrance qualifications is 4,430.

Accordingly, the total number of Canadians living in Victoria or on Vancouver Island who will be affected by this legislation is over 7,000; some 7,500 residents in our area will be affected by this bill. Across Canada, 519,877 Canadians will be adversely affected by this bill.

These are not the Canadians who are driving the third family BMW in Toronto or who are paying $300,000 or $400,000 for houses or condominiums in South Oak Bay. These are Canadians who already live for the most part on the borderline of poverty in this country. Most often it will be single women, single parents or teen-aged children trying to get their first jobs, or working Canadians trying to support a family and live on the edge of economic survival in the country. Or, it will be those in Atlantic Canada whose centre of economy has been ground down by the policies of this government and of the Liberal governments that have preceded it. We have a bill which attacks those on the margins of economic survival in the country.

• (2200)

It has been suggested by speaker after speaker on the government side that this debate is really about the Senate. I do not owe any brief for the Senate. In fact, I know a close relative of mine whose lifelong ambition is to be appointed to the Senate so that he could rise in that

place and move its abolition, a sentiment with which I entirely agree.

In this case, the Senate is doing a service to the people of Canada by turning this bill back. It gives the people of Canada another opportunity to understand where this legislation fits in the economy policies of the government.

There are already 1.6 million Canadian youngsters who live below the poverty line. There are over four million Canadians living below the poverty line. This bill goes to the heart of the Tory agenda because it will add, not subtract, to those numbers.

We have to see this bill in the context of Conservative economic and social policy. We have now had almost six years of Conservative government since 1984.

Mr. Kempling: You never had it so good!

Mr. Brewin: My friend says we never had so good. If he would come with me to talk to the people of Victoria, or go around the country and ask people whether they have ever had it so good, he will get his answer.

The fact of the matter is that the economic and social policies of this country are a disgrace. As I sit and watch the Minister of Finance as he stands in his place virtually every day to answer questions about the country's economic policy, it is interesting to reflect on a book written in the late 1960s or early 1970s by David Halberstam entitled, *The Best and the Brightest*. This book described how the best-educated and best-trained people in the United States managed to get that country into the Vietnam disaster.

As I reflect on the government and those behind it, the financial wizards and the best brains in our corporate sector who persist in pushing the government along the economic and social path that it has taken, I must say that "the best and the brightest" in this country are leading us into a dangerous, economic situation. The complacency of the government, when it says that we never had it so good, in the face of the clear facts of housing shortages, unemployment, abuse, poverty, and cutbacks in social programs, is a disgrace. Let us look at what its agenda is.

First, reduce social programs. That is part of its agenda. Second, weaken the progressive tax system and change the balance in our tax system so that it favours the rich as against the poor and the middle income groups. It is a clear fact. Just ask the middle income earners how much tax they are paying now compared to the taxes they paid in 1984. Look at the facts of cutbacks in the tax rates and the opening of further loopholes in the tax system that this government has brought in. Now we have the GST, and it will not explain to a single person in the country how the GST is going to help the middle income earners. In fact, the Conservative chairman of the finance committee boasted that the only people left in the country to tax are the middle income earners. As for the rest, it does not make any difference.

The third element of its economic policy is the privatization of the economy. Fourth, it wants to set about the integration of our economy with the United States. Also, it wants to maintain unemployment. The previous member spoke about trying to reduce unemployment. It is a clear, systematic, intentional policy of the government to maintain unemployment at higher and higher levels. That is its economic intention. An article recently in *The Economist* magazine made that very clear.

Finally, it is part of the government's agenda to strengthen the position of the multinational companies in the Canadian economy. That has very clearly been part of the Conservative agenda and that is what it has put in legislation which it put through the previous Parliament.

Let us look at the effect and how the government done this with the particular steps it has taken. It had a so-called tax reform package in the previous Parliament which reduced the total number of tax brackets and particularly reduced the rate payable in the upper brackets. It reduced corporate taxation in the country. It eliminated elements of capital gains tax and the government has completed the Tory tax reform, or is in the process of completing the Tory tax reform, with the GST.

The second part of the steps the government has taken to implement its agenda is the free trade legislation. Over the last couple of years—certainly the last year-and-a-half— the government has maintained a high dollar which has had a bad effect out my way, for example, because a high dollar hurts tourism and exports. It has maintained high interest rates. That high interest rate policy is beginning to have a negative effect on small business, potential house purchasers, and unemployment levels. The high interest rate policy is not a mechanical policy that it is following, but an intentional policy of the Bank of Canada, supported in this House by the Minister of Finance and the government. The clear intention is to increase unemployment levels in this country so that, in their terminology, the economy cools off. When saying that, the government is speaking of the

economy of southern Ontario and it is finally getting its wish in that.

Mrs. Browes: What would you do?

Mr. Brewin: What would we do, the hon. member asks. I guess the government is so bankrupt it now has to turn to the opposition and ask us what we would do. I will be advising the hon. member in a minute exactly what we would do about it.

Let me continue with the step-by-step Conservative agenda and how the government is proceeding with it. It has in fact instituted a systematic set of cut-backs on social policy and social programs in the country, of which this bill is a very important part.

It has placed no limits on private debt while attacking the social programs which are developed in the public sector. I can speak with some feeling on this. I am one of those Canadians who found himself in private debt, and debt more than I could handle. There are millions of Canadians who, without a qualm, get talked into additional debt by the various institutions in the country. There has been no Conservative control on private debt because the Conservative philosophy accepts the idea that increased private consumption is a good and systematic economic policy. The effect of that kind of overheated private consumption is to drive up house prices, to fuel inflation, to devastate our environment and to knock our economy out of balance. What do the Conservatives do in response to this? They turn around and cut public programs and social programs. That has been part of their intentional agenda.

The Conservatives really believe that a good society rewards the rich and penalizes those who are less fortunate than themselves. That is the Conservative philosophy. I give them at least this much, they understand what they are doing. It would probably be worse if they really believed that they were doing something for the good of the country. What they know they are doing is changing the face of Canada. They are changing it into a country which is even more beset with inequality. They are increasing the poverty levels in the country. I have here the figures of Canadians who use food banks. There are 378,000 different people per month use food banks in the country. That is an absolute disgrace in a country with our wealth. If the government had any sense of responsibility to the people, it would be focusing its attention on those problems, not on making the rich richer, as it has done persistently in every policy it has introduced since it took office.

• (2210)

We are faced as well, with an economy in which the wage levels have increasingly gone down in real terms for most Canadians. The kinds of jobs that the government has visited on the people are not the jobs which a *Polar 8* project would introduce. I am pleased to see the Minister of Justice enter the House. She is now the senior political member from British Columbia. I hope she will take an opportunity this evening to encourage the House to believe that maybe the government is going to do something either to revive the *Polar 8* project or at least to put in its place a shipbuilding program on the west coast that would provide the kinds of jobs Canadians need and are entitled to. That is jobs with some kind of economic future, which pay a decent wage, and which permit the possibility of a pension and of purchasing a home of their own. Instead what the government has done so often is to cut out those kinds of jobs letting them be replaced with part-time, poor-paying jobs in the service industry. That is the face of Canada for millions of Canadians.

The government has, in fact, continued and added to the public debt of the country and to the deficit. That too is part of the Conservative agenda. To say the government has not done it intentionally is to simply fly in the face of the facts. Not only has it maintained high interest rates which are a major burden on the taxpayers of this country, but in addition the government has failed to tackle some of the highest spending areas in the budget. In defence spending, for example, over $1 billion is spent in maintaining troops in Europe, long after they have served any useful military purpose. Now they provide, clearly, even no diplomatic purpose.

If the government would seriously attack the debt problem it would begin attacking those kinds of useless expenditures. Instead, it is maintaining those expenditures, not because they contribute in any way to peace, but because when it comes to the crunch, the government will do whatever is necessary to please the government of the United States. It has done so in its economic, social and external policies. We just have to look at the way in which the government caved in to the United States on Panama. It was the only government in the western world outside of Margaret Thatcher's government that had the nerve to support the breach of international law involved in the invasion of Panama. Soon we are going to be getting the renewal of NORAD. That is going to be coming before the House. Any bets on what the government is going to do about that? Of course, it will supinely reinforce the NORAD agreement and just put it through for another five years, without any consideration or debate in the House.

A few minutes ago an hon. member asked what our policies were. What we call for is a completely different direction in economic and social policy for the country. What we say first of all is that the underpinnings and purpose of economic policy must be fourfold.

First, we must ensure that our economy is environmentally sustainable. Everything must become secondary to that. We must now begin a serious, planned, comprehensive transition to an economically sustainable environment. We cannot afford to wait any longer to fulfil that objective and that must become the primary objective of government economic policy.

Second, and in keeping with that, social equality must be the objective of our economy. We can no longer accept poverty in the midst of plenty. We must ensure that every step we take makes this a better, fairer society, that the spending and economy we have will be addressed to that problem.

Let me finish by outlining the other two points very briefly. Third, we must ensure that our economy provides a decent living for all Canadians in which they have some worth and some ability to participate in the economy. And, fourth, everything we do must contribute toward the ending of poverty around the world. This is our program and we urge it on the House.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am glad to have the opportunity, even at this late hour, to debate once again in the House the provisions of Bill C–21. I am glad to be able to speak to the very excellent work of the Senate in its review of these changes to Canada's unemployment insurance system.

I am glad too to be able to explain here and for the unemployed in my constituency who, since January, knew they required four more weeks to qualify for UI but could not understand why. I am glad to explain to them the purposes of the stand that we, in the Liberal Party in the House and in the Senate, have been taking in opposing this legislation.

On several occasions during the last two months I have been confronted by constituents who found themselves with 10 weeks but without the 14 weeks they suddenly needed after Christmas to qualify for UI benefits. Why could they not get benefits? They were told it was because the UI bill was in the Senate and they had to wait until it was passed. They would ask: "What is the hold up?" I would have to say that there was a principle involved. The principle had to do with the fact that this government was no longer going to be contributing to the UI program and that was going to weaken the program in the future.

They would give me a puzzled look and say okay and that they would be patient. But I never thought I was able to explain properly the consequences of the thrust of this legislation. In particular, the decision by the government to withdraw entirely its financial contribution to the UI Program and to transfer the financial burden of this program entirely to the fee payers. I never felt I could adequately explain why this particular change, which appears to many to be nothing more than a bookkeeping change, so dramatically altered the character of the UI program, why it is so dangerous to this most vital component of our social safety net and why I should prevail upon the indulgence of those unemployed in my constituency to be patient.

I am glad to have one more chance because the changes contained in this bill, in particular the changes embodied in the Archaean phrases of clauses 52, 53 and 56 of Bill C–21, in essence knock out one of the pillars of the UI program. They are the first step, I think, to the dismantling of a national social insurance program in the country. Bill C–21 is the thin edge of the wedge, to coin a popular expression. It is the first step down the slippery slope of privatizing, decentralizing and, eventually,

Americanizing the unemployment insurance system, of undoing one more strand in the subtle garment of national social insurance programs, national infrastructure, and equalization payments which hold the country together. It is philosophically linked with the free trade agreement, the abandonment of VIA Rail, other changes that have weakened our regions and weakened the country from one end to the other.

The current UI program, which has been in place since 1940, is financed by three partners: employers through their premium contributions; employees through their premium contributions; and the federal government through the Consolidated Revenue Fund which itself is financed by our taxes.

• (2220)

In 1989, for example, the government contribution was $2.9 billion out of a total UI expenditure for Canada of some $12.3 billion. The government contribution is more important than this share would suggest. It pays for UI benefits which arise from conditions of higher than average unemployment rates. When unemployment rates rise across the country, as they did during the 1981 recession, the share of UI benefit costs paid for out of government revenues rises substantially.

As well, in regions of high unemployment like Newfoundland, Cape Breton and other parts of Atlantic Canada, large portions of Quebec and northern Ontario, the west, and northern Canada, a large part of UI benefits comes from government contributions. This is because the weeks of so-called regional extended benefits—weeks of UI benefits which are related to high unemployment rates—are paid for from government general revenues. That means that for an unemployed worker from Inverness in my constituency, the first 10 weeks of his UI benefits are paid for out of premium revenues; the second portion, if he has enough weeks, is paid for out of premium revenues; and the third portion, often involving the largest share of his benefits, are paid for out of government revenues under the current program.

This feature of the UI program allows the federal government to stabilize the national economy by directing money through UI benefits to individuals in communities that need it most when it is most needed. This keeps our regions alive and it keeps our communities alive. It allows the federal government to contribute quite naturally to stabilizing the economy of the country. It is one of the pillars of our macro-economic policy and it is one of the pillars our our social policy.

In addition, the federal government finances UI benefits to self-employed fishermen. It finances these out of general revenues to the tune in 1989 of some $261 million. Why? Because the situation of seasonal fishermen and the communities they live in is regarded as unique. Again, the UI program is how the federal government is able to support a way of life in many parts of Atlantic Canada.

I would urge the members opposite to read the transcript of the Senate committee hearings in Canso. They should read the testimony of Claude Sangster, an inshore fisherman from New Harbour in Guysborough County, or Edison Lumsden from Canso, or Keith Lettington from Drum Head. They should read their testimony to see if they have any doubts about the importance of this feature of the UI program to our east coast fishery.

One of the fundamental thrusts of Bill C-21 acknowledged by the Government House Leader yesterday is, and I quote:

> (I) a shift to full financing of the UI program through employer and employee premiums.

This thrust is embodied, first, in clause 52 of Bill C-21 which, by replacing Section 118 of the current UI act, ends all federal government contributions to the UI program including in particular the contribution to regional extended benefits. In fact, the concept of regional extended benefits and the financial stake of the federal government to lower unemployment rates through contributions to UI benefit payments related to high unemployment is ended with Bill C-21.

Second, with the passage of Bill C-21, the government no longer contributes to the financing of special UI benefits to self-employed fishermen. Henceforth, these benefits will be financed out of general UI premiums. In addition, as the Senate discovered, this entire component of the UI program which is hived off from the rest of the UI Act can be altered and, for all intents and purposes, abolished by a simple Order in Council. That is without even consulting Parliament. The government

accepted the Senate's suggestion for not eliminating fishermen's benefits without consulting Parliament, but we can see the handwriting on the wall.

What will happen if Bill C-21 is adopted without the Senate amendments? Before saying this, I should say that one of the key Senate amendments which the government refuses to accept would bring back the principle of government contribution to the UI program, at least in part. This is one of the recommendations which would prevent the erosion of the program that we are going to see if Bill C-21 is adopted. Let me explain.

If Bill C-21 is adopted without amendment, the entire cost of the UI program will be funded by premiums. Employee premiums will rise from $1.95 to $2.25 per $100 and employer premiums will rise from $2.73 to $3.15 per $100. The Minister of Finance has fixed this rate for the next three years in the last budget in 1989. With the changes on the benefit side, it will be harder for many unemployed to qualify for benefits. They will qualify for fewer weeks and face higher penalties for quitting and a whole series of other changes related to the cut-backs in the unemployment insurance benefits amounting to some $1.3 billion.

I want to focus the attention of members on the evolution of the UI account. This is something which has received very little attention. At the current premium rate, the government has admitted that the UI fund, which is now in surplus, will move into a deficit position by the end of 1992 to the tune of some $3 billion, according to the Deputy Minister of Employment and Immigration. Three billion dollars is more than one-quarter of the total UI expenditures for 1989.

How will this deficit be financed? Either premiums will have to rise or benefits will have to be cut further. It will be that or the government will have to kick in out of general revenues. But we already know the orientation of the government, so we can pretty well rule out the third option.

What should we expect? It would be a simple matter to jack up premiums for fishermen's benefits or cut down drastically on the benefits paid to them. The government has said it would not do this, but it can easily be done without even consulting Parliament over the summer holidays when there is no one around to oppose it.

Next, how about cutting drastically benefits that go into high unemployment regions like Atlantic Canada? That will save some money. We know that the government's business friends, who as employers will pay the majority of the UI fund, want to cut back on UI benefits. They want to make UI more like insurance and they can legitimately say: "Since our premiums pay the majority of the funds in the account, why should we not decide?" Can you blame them? Indeed, they might well ask: "Why does the government have any say in the management of the UI account at all?" After all, he who pays the piper calls the tune. This government has stopped paying the piper, so why should it call the tune?

Anyway, since UI is becoming more like private insurance, why not go the next step? How about turning it into a Crown corporation, or maybe privatizing it completely? Then we can start to see what happens. With no financial stake in holding a strong national unemployment insurance program together, one which stabilizes incomes, supports regions, and provides benefits to the hinterland regions of the country during periods of high unemployment, the federal government has abandoned one of the roles which it has had since the thirties as a principal feature of its economic management. It will enable the government to abandon the regions completely. That is the thrust of this legislation.

The next step is to let the quality of the unemployment insurance program benefits drop in order to have a level playing field with the United States. That is what we said all along was the ultimate aim as a result of the free trade agreement.

• (2230)

This is the agenda under Bill C-21. This is the agenda we have been trying to expose and which the government is moving towards with these changes as surely as night follows day. It is time that Canadians wake up and realize what is happening to them. It is time for this government to wake up and realize that it is dismantling the very essence and fabric of this country. That is what is happening with the changes to Bill C-21.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I appreciate the opportunity to participate in the debate on Bill C–21.

The subject in a broad perspective, as I see it, breaks down into the following general areas of discussion. First is the role of the Senate in the rejection and delivery of this bill back to the House from the other place.

Second is the subject of premium changes and the withdrawal of the federal government subsidy to the unemployment insurance program.

Third is the area of increased training and the shift from support to preparation for re–employment.

Fourth is the increased maternity benefits, the inclusion for the first time of workers over 65 and the introduction of disincentives to abuses, misconducts and failure to be employed. Last is the general philosophy of the government in its approach to employment and unemployment and the introduction of the intensification of the work ethic in our country.

First, let us consider the role of the Senate. As has been said already this evening on more than one occasion, it was on November 6, 1989 that this House passed Bill C–21 and sent it to the Senate. It was February 14, better than three months later, when the Senate finally did report this bill back to the House.

It is not a very cogent demonstration of urgency, serious intent or concern for those who have suffered the loss of significant benefits from Bill C–21 which would have become effective during the first week of January.

The Senate heard 60 witnesses in 11 weeks, 54 of whom had appeared before the House of Commons legislative committee. The legislative committee heard 200 witnesses in four weeks. The serious intent and the sense of urgency and dispatch with which the subject has been addressed by the Senate left a great deal to be desired.

I think some of the amendments from the Senate being debated indicates that there has been some room for sober second thought. In the area of illiteracy, it is the kind of recommendation one would expect from a responsible Senate. I certainly speak with respect for the members in the Senate individually, although as a body I believe that their motives and their actions in blocking the bill is absolutely intolerable and unacceptable in our parliamentary system.

The Senate plan to more specifically identify the proposed training program is a reasonable proposition and one which the government indicates it is willing to consider and accept. The suggestion that the Senate would be empowered to rule on the efficacy and appropriateness of this annual plan is again absolutely intolerable and unacceptable in a responsible parliamentary system.

The suggestion concerning Recommendation No. 8 that there be a specific alteration to the bill with respect to self–employed fishermen is a reasonable and sensitive suggestion. It is also a reasonable and sensitive response by government that self–employed fishermen are not specifically alienated by the provisions of Bill C–21. In fact, it improved the original Unemployment Insurance Act in that respect.

I refer to the Senate and its penchant for seizing on issues such as this and on the free trade agreement. Fortunately, it caused a general election which the people of Canada took in stride and delivered a very profound message of support for free trade much to the surprise of the Liberal Senate. To confront legislation from this House in the manner as was done with the substance of Bill C–21 is unacceptable.

There is general support in many quarters for a Triple E Senate, elected, equal and effective. I think many more activities of the nature of the confrontation with Bill C–21 might cast a new meaning to triple E in being excessive, expensive and extinct.

The actions of the Senate in what appears to be an outright obstruction of a major bill benefiting those unemployed Canadians most in need, has been seen by many Canadians to be superfluous to the responsibilities and functions of the Senate in the exercise of a power that, while technically appropriate and technically legal, is traditionally inappropriate.

With respect to premiums, the federal government has been paying approximately $3 billion per year to the unemployment insurance fund, $2 billion of which is a subsidy and $1 billion as an employer on behalf of federal government employees. The termination of that subsidy in this day and age of relatively sound and buoyant economic times in Canada with a deficit of $30 billion constitutes an act of not only fiscal soundness and financial good management, but one that is sensitive to

the realities of a self-sustaining fund which is doing very well and operates on a principle of regional equality.

The premiums used to replace the federal subsidy will come from those workers and companies who are in a buoyant condition, employed and active. The benefits of that program will continue to go to those areas of the country where unemployment is high and where workers need support and training. I believe that that is consistent with the philosophy of the government to turn Canada in the direction of paying its own way and of living within parameters that we can afford.

I certainly do support the withdrawal of the federal subsidy to the premium account and I believe the citizens of Canada will also support that initiative. Hopefully, the Senate will support it even though it is beyond their terms of reference because it is a financial matter. The variable weeks of qualification and duration of benefits are very significant. The transfer of a portion of the unemployment insurance fund from a total of $13 billion in support systems to a total of about $1.3 billion in training and re-employment initiatives and a remaining fund of about $11.7 billion for support, the variable requirements, while significant, are relatively reasonable. After all, it takes 10 weeks to qualify for unemployment insurance. The difference between 10 weeks and 14 weeks in the course of a 52 week year is not a major stretch of the work ethic in this country. I believe we will see that this stretching of the parameters will stimulate initiative and will be demonstrated to have little consequence at all because the average unemployment is far below the extreme parameters contained in the old program.

• (2240)

The variable entrance requirement will result in about $800 million being available for transfer to the training and re-employment fund. I believe that the combination of the stretch to a higher work ethic and the provision of increased funds for training and re-employment to help achieve that work ethic is a balance that any reasonable Canadian will find very significant.

I would like to review the range of training and re-employment initiatives that those variable entrance requirements help to fund. The other portion of that $1.3 billion for training and re-employment comes from the elimination, reduction and moderation of abuses to the system. Many Canadians never use the unemployment insurance fund and fortunately never have to seek its benefits. Their only criticism is that the system is abused, that people have adopted it as a way of life and have found ways to live within it and that the *raison d'être* for it are ignored and misused.

The correction of these abuses will generate almost a half billion dollars to be added to the training and re-employment initiatives, going with the variable entrance requirements, totals $1.3 billion. I believe any reasonable Canadian will say that is a very acceptable and commendable change in the focus of the unemployment insurance program, to the modern ethic and vision that Canadians have today of our country.

I would like to review the list of training initiatives that this $1.3 billion will provide. It will add $65 million to human resources planning for work with industry and with non-governmental organizations. One of the areas I have heard mentioned is a commission on human resource development, one which would address the educational aspects of Canadian life and delve into one of the most profound areas of human resource development in addressing the future of our Canadian society.

Another is the addition of $100 million to the Entry Level Skills Development Program where the combination of private sector participation and federal issues such as employment equity would go together to improve the skills and capabilities of a great many Canadians. The Industrial Adjustment Service will receive an additional $15 million, doubling it to a total of $30 million. Employees will work together in terms of new technology in the replacement of obsolete skills and in retraining.

The Community Futures Program will receive an additional $50 million under the Canadian Jobs Strategy budget. This will help communities such as those we have heard of in the very tragic fisheries difficulties in eastern Canada. It will help communities to cope with their problems and will give substance and credibility to the Prime Minister's commitment during the last election campaign when the mandate for this entire program was put on the table. The Prime Minister said that Canada will have the best employment industrial adjustment program in the world. The direction of the initiatives contained in Bill C-21 are in pursuit of that promise

and that supporting mandate that was delivered in the 1988 election.

Under Section 26, the unemployment insurance training program will receive an additional $350 million, the continuing employment option and training for displaced older workers will total $100 million. There will be benefits amounting to $40 million for people over 65 years of age who up until now have been denied unemployment insurance eligibility.

Consistent with the Charter of Rights and Freedoms in which men and women are eligible to work to the age that they desire and to the age they can satisfactorily perform, they will be eligible in future for unemployment insurance benefits and can participate in the program, both from a benefit and a premium participation viewpoint.

In terms of self-employment and entrepreneurship characteristics of the Canadian Jobs Strategy, there will an additional $45 million; $20 million to promote new entrepreneurial activity and $25 million for mobility assistance. The very significant improvements to the maternity and parental benefits portion of the unemployment insurance program under Bill C-21 will introduce new benefits worth $450 million, almost half a billion dollars in new support for maternity and parental benefits. How the Senate could hold up this bill for three months and let those benefits lay idle, I certainly do not understand.

If you total all of these initiatives along with some others I have not mentioned, we have a program worth $1.3 billion which is paid for from changes that improve the spirit and the substance of the program in terms of the work ethic and in terms of abuses and disincentives under the old program.

In conclusion, I would like to say that Canada needs to revitalize its approach to employment, enterprise, the changing realities of new technology, the environmental imperative, the developing world and to the more intense trading competition we face as a nation throughout the world. In Canada we have in our unemployment insurance program a safety net that is second to none in the world. Bill C-21 continues to keep it that way. That is important. It is something in which we all believe.

We want to ensure that that safety net does not become a way of life. We want to ensure that Canadians do not get locked into that trap and get captured by the ethic of unemployment. I believe that Bill C-21 accomplishes that. It points us in the direction of new work ethic initiatives, discourages abuse, provides for increased training and re-employment initiatives and provides the best safety net in the world, while at the same time, casting a spirit that does not make that safety net a habit of unemployment and perpetual dependence upon the dole which I believe all Canadians would abhor.

I believe in Bill C-21, particularly as it is introduced and as people begin to experience the qualities and the values of it. Hopefully the Senate, commencing tomorrow, will take their responsibilities seriously and approve the speedy passage of this bill to which all Canadians will give their full-fledged support.

• (2250)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise today to speak on Bill C-21. I would like to voice my opposition on behalf of many Canadians to the vast majority of the bill's provisions and in support of the Senate's proposed amendments.

This bill represents a beginning of privatization of our unemployment insurance system. It represents the undermining of the basic principle of the unemployment insurance system. The fact that most Canadians are not aware of the government's true intentions with respect to the dismantling of our system is unfortunate. The Mulroney government has taken a page from a book authored by other governments that act not for, but against the wishes and interests of those who put them there, the majority of the people they purport to represent.

This government rules by attempting to mislead the public. It attempts to obscure its real motives. In fact, it hires advertisers at millions of dollars to misrepresent the truth. The government actually justifies every action by painting it as an attempt to cut the deficit. What this government does not understand is that it can no longer take the economic ills that it created out on the backs of the low and the middle income earners and the backs of the unemployed.

This government is uncomfortable with debate and intolerant of dissent. It used closure at second reading

and time allocation at report stage and third reading of this bill. Once again it has invoked closure to stop, to stifle debate.

Hearings were held across this country at a whirlwind pace, one that guaranteed that many informed Canadians, that many concerned individuals and groups could not voice their objections to this bill. We all know that the government feels such discomfort at the mention, much less the exercise of debate, of public hearings and consultation. It is because it is breaking promises, the sacred trust that it talked about so much during the past election. The government stifled debate because it does not want to be reminded of those promises.

The members opposite do not want to be reminded that in October, 1988 the Minister for International Trade called the suggestion that the government was planning to change the UI system as "complete nonsense". He called it complete nonsense that the government was going to change the UI system. Well, we have seen what the government has done today. It does not like to consult. It does not like to consult because it knows that people will say things like "You promised you would not do this and now you are doing it". People would ask tough questions such as why, why does the government continue to break its promises?

We all know that if the Canadian public had known during the last election what this government had in store for them, the majority of members opposite would not be here. We know this and this is why the government continues to break these promises.

If Canadians had known the Conservative rallying cry of unfettered access to the U.S. market was a hoax which would mean the undermining of our social programs and the principles of social justice which we hold dear, they would have turned their backs on the Conservatives as they will in 1992 for breaking these promises, or hopefully sooner.

If Canadians had known that the Mulroney government had planned to sell out Canadian farmers and to undermine our supply marketing systems, they would have turned the Conservatives out on their ears. If they had known that the Mulroney government would prove incapable of managing our economy, of protecting the Canadian fish stocks and the Canadian fisheries, they would have shuddered at the mere thought of putting these Conservatives back in power. If the Canadian people had known that the Conservative agenda for the country was devoid of respect for social equality and economic fairness, unable or unwilling to combat growing racial intolerance and regional strife, then the Canadian public would have ensured that the Conservative members opposite would not be sitting where they are today.

The Minister of Employment and Immigration has stated that Bill C–21 will, and I quote "ensure that Canada is poised to take advantage of the future of unprecedented opportunity and to meet the objectives of competition, confidence, strength, sovereignty and compassion". I find it interesting to say the least that the minister would assert that one of her objectives for Canada was sovereignty and that somehow Bill C–21 met that objective. This bill provides for the elimination of the tripartite financing of our unemployment system.

In withdrawing the government's contribution to the fund, we would be eliminating from our system a practice which is used practically in every other country in the western industrialized world with the notable exception of course of the United States. What a coincidence that in fact the only country in the western world that does not have a system like this is the United States.

Bill C–21 is not about protecting Canadian sovereignty. It is about many other things, such as bringing about a social system that is in line with that of the United States, a social system that was promised to the Americans during the free trade debate. In fact, the real reason for this bill is because of the free trade deal. A commitment was made during the free trade debate to bring our social systems in line with the Americans.

When I hear the Minister of Employment and Immigration defend this bill, it is clear that this bill fits hand in hand with other legislative endeavours undertaken by this government, such as the free trade deal, GST, budget cuts to education, health care, social assistance, women's groups, native publications, the list goes on. Why? I do not think members of this side of the House have to ask that question. I do not think Canadians today have to ask that question. They know. It is because of the free trade agreement.

It is not that the Conservatives have no vision for this country, as we are sometimes tempted to think on this side. It is that the Conservative vision of the country, of what is right and good, is just so isolated from reality and from the minds and the hearts of ordinary Canadians that it is barely incomprehensible.

The Conservative vision of this country is shared by only a handful of Canadians. At election time the Conservatives get together and decide what will they say this year to get elected? They decide what is in their best interests to tell the Canadian public in order to get elected. So they tell Canadians, "We respect the UI system". They tell Canadians all sorts of other things and by golly, just after the election is over they say, "We changed our minds", or "We did not really promise you this".

Bill C–21 is a perfect example. After promising Canadians that they would not change the system and then breaking their promise, after cutting off public hearings and ramming the bill through second and third reading, then crying foul when the Senate insisted on hearing what Canadians had to say about this bill, people who wanted to speak on the bill. Do you know that there was only one group besides the government who voiced support for the quick passage of this bill? That was the Canadian Chamber of Commerce.

As the special committee of the Senate on Bill C–21 has pointed out, the overwhelming majority of those who appeared before the committee disagreed with the government's contention that the bill would be good for Canadians. In fact, the overwhelming majority of people who appeared before the committee said that Bill C–21 is an attack on the working people of this country. It is an attack on small communities, an attack on underdeveloped regions and an attack on the basic decent foundations of our country.

I think Earl McCurdy from the Fishermen, Food and Allied Workers Union put it well when he said that Bill C–21 is a classic case of blaming the victim.

• (2300)

The unemployment insurance program has been a cornerstone of Canadian social policies since 1940.

Since the beginning, government contributions have formed an integral part of this program. By contributing to the unemployment insurance program, the Government of Canada is acknowledging its commitment to the creation of full employment.

This is a government which is not comfortable with committing itself to the pursuit of full employment. It is no wonder that, with the free trade agreement, the fisheries mismanagement, the farming crisis we see in Canada today, this government is putting thousands of Canadians out of work. It is no wonder that the government wants nothing to do with accepting a financial incentive in the form of contributions to UI, creating stable, quality employment.

The government must know that its attempt to pass responsibility off to someone else is unacceptable to Canadians.

The government is attempting to pull out of the unemployment insurance program. Who has the government designated to make up for the $2.9 billion a year in shortfall? Employees, employers and the unemployed will have to pay this price.

Premiums paid by employers and employees will rise under Bill C–21.

Unemployment insurance will be harder to qualify for and benefit periods will be shorter.

As witnesses to the special Senate committee pointed out, once the responsibility for UI funding begins to rest solely on employer–employee contributions, there will be pressure to cut the program even further. The government has given up control over the unemployment insurance program. It is giving up the control it promised Canadians, a promise that it said it would keep and a promise, as with other promises, it has failed to keep.

The government is telling Canadians that they will have to pay more for less.

Try telling that to the workers in my riding who are losing their jobs because of this government's policies. The Prime Minister promised them during the election campaign that he would create the best adjustment programs in the world because of free trade.

Where are these adjustment programs? We are still waiting. This was another broken promise. He said there would be the best adjustment programs in the world after free trade. Nowhere have we seen them.

Not only has the government not introduced these programs, now it is backing out of the one program that is supposed to represent the government's commitment to the creation of employment.

How can it expect Canadians to believe it when it says that this legislation is good for them? They know better than to believe the Conservative government now.

In closing, I urge this government to accept, not just three of the Senate's proposed amendments, but to accept all these amendments.

These amendments represent the suggestions and the beliefs of many Canadians who were left out of the system, who were not heard by this Conservative government which cut off debate. I respectfully submit that the government should withdraw this bill and should come back again with something much better.

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I rise in support of the motion that was put forward by the government House leader. While there are some ideas with which we can agree in the message from the other place, there is a basic conflict between some of these amendments and the total intent of the Bill C–21.

Our government is determined to do more than passively accept unemployment. We must and we will help unemployed people get back to work and make it possible for them to contribute to the growth of this country. Bill C–21 has been held up long enough. The needs it addresses are too important to justify prolonged arguments over some of the detail and some of the recommendations that have come forward from the other place.

The government has listened seriously to the recommendations offered by the Senate regarding this Bill C–21. And, while there are many concerns which all members should have about many of the suggestions in the message before us, some of the recommendations are worth including in the bill.

For example, we recognize the impact which illiteracy has on Canadian workers and on Canadian employers. The lack of basic skills is an impediment to further training. For that reason the idea in recommendation No. 1 is worth including in the bill.

Senators have said they welcome the commitment of the government to producing an annual plan which will show members how UI funds will be spent to train and to develop people.

In recommendation No. 4, they have asked us to amend the bill to ensure that the minister will provide specific details in this plan. It will do no one any good to create centralized plans which are too rigid or too detailed to respond to the changing needs. At the same time a reasonable level of detail should be provided. Therefore, the response which this government proposes to the Senate suggestion is a fair one.

In recommendation No. 8, the Senate has also asked this House to consider removing a subsection in the Unemployment Insurance Act which has been in place for almost 20 years. That subsection would allow the Governor in Council to remove benefits for self–employed fishermen from the UI Act at any time.

With the concern shared by all Canadians for the problems in the fishing industry, the request for added protection for these benefits is understandable. I think I share with all my colleagues on this side of the House, and indeed with all my colleagues in the House the difficulties that our fellow Canadians in Atlantic Canada are having. The message which this House will send to the Senate should accommodate improvements in this particular area. But much of the message that we are receiving back from that other House cannot be accepted.

We have been given a set of recommendations by the Liberal senators which do nothing more than tie the hands of the government. These amendments would force us to spend money we do not have in ways which may not be the best for the working people who are going to be helped by the bill.

The Liberals in the Senate seem to believe that the only purpose for UI is to pay people to wait for their old job to come back. UI is not a guaranteed income plan. We on this side of the House believe that UI needs to become an active program which invests in people's lives. Training courses, financial help to move to a place where there are more jobs and assisting claimants to start businesses are wise investments. This government wants to let the people get out of that unemployment trap.

The third recommendation from the other place stops the government from developing innovative approaches to getting people back into the workforce. It also offers new appeal rights to claimants which make the system

far more complicated. These are examples of how the Liberals in the Senate are willing to play games with the unemployed.

When this government introduced the Labour Force Development Strategy, it did it to help both the unemployed and Canadian businesses by creating a better match between skilled workers, skilled employers and the skills that workers have.

Sometimes the things which will produce the best results do not fit all the demands of the UI Act. For example, if a person is starting a business, they are not eligible for UI. Bill C–21 gives this flexibility to make UI more responsive to today's needs by experimenting with new and better ways of helping the unemployed. That is what this bill is all about, being responsive to today's needs.

• (2310)

While much of what the Senate wants to do in its fourth recommendation on the government's annual development plan for UI can be supported, one aspect certainly cannot. The Senate wants the power to approve or reject that plan. No one in this House can seriously accept the need for such a new power to that place.

Their fifth amendment cuts back one of the basic principles behind this bill. It cuts back by relaxing penalties for people who quit their jobs without just cause, or who are fired for misconduct. In response to sincere concerns about the definition of just cause for quitting a job, this House approved the Minister of Employment and Immigration's amendments to C–21, to ensure that people would not be penalized unfairly.

Now the Liberal senators want to change our decision to strengthen the penalties for people who quit. The Liberal senators in the other House want to to send a signal to people that it is all right to quit their job because UI pays. We must reject this type of thinking. Enough is enough.

Recommendation No. 7 from the Senate would do one thing, but it would have a major impact on this country's deficit. Members will know the one message that has come clear from coast to coast, is: "Government cut your deficit and cut your debt".

Recommendation No. 7 would force the government to pay a large share of the cost of the unemployment insurance program with money that we simply do not have. No one can seriously suggest that the government should spend money on a program just because they used to do it. Yet the Liberals in the Senate are willing to see all the government's deficit raised by more than $1.5 billion a year for the range of amendments in their message to this House. Well I say, no way.

This government is willing to amend the UI Act to better protect fishermen, a group whose benefits have not been touched by this bill. It cannot be willing to go along with a scheme to play political games with the government's ability to make regulations.

The bill which this House passed was a sincere attempt to balance many different interests in order to improve UI in a realistic way. The amendment which the government is offering here tonight, in response to the message from the other place, is part of that improvement. However, we must reject amendments that increase the deficit. We must reject amendments that remove innovation from the program, and we must reject amendments that delay needed changes.

Let us talk now about improving training and improving unemployment insurance protection. The Liberals in the Senate have spent months claiming that C–21 will lead to destruction of the unemployment insurance program.

This is absolute nonsense and it is not true. Bill C–21 is designed to encourage more and better training of working people by the private sector. Bill C–21 is designed to use UI funds to create new opportunities for jobs and make UI a more active program. This is a major improvement over confining UI to passive reactive measures. But UI is still a program which is responsive to the different employment needs of different communities across this country.

The government has ensured that UI is responsive to regional needs. In areas where unemployment is high, the vast majority of claimants will not see any change in their benefits. We recognize that many of the jobs in areas such as Cape Breton and western Newfoundland are seasonal. For these people and for their communities UI is an important form of income support. For that reason people in these particular areas and in others

with higher levels of unemployment will still need only 10 weeks of work to qualify for benefits.

The government has also recognized the special situation of self-employed fishermen. While Liberals suggest that the government is ready to abandon these people the reality is very different.

Another important change the minister has made will make UI fairer by extending UI protection to workers who are 65 years of age and older. Many of these people want to keep working and deserve the same rights as younger workers. That is exactly what this bill is going to do.

But C-21 does more than change some of the UI rules. It will implement labour force development strategy. Labour force development strategy is an important initiative of this government and will make a real improvement in Canada's ability to compete in the world economy.

An active UI program is one which does more than mail out the cheques to people who have lost their jobs. An active UI program provides chances for people to gain new skills. It provides chances for people to explore new opportunities which will help them get and keep better jobs.

The government will work with the private sector to improve the amount and quality of training which employers provide. We want to bring the level of training up to that of our major trading partners.

The government will devote more funds to human resource planning, skills needed by new workers such as improved apprentice training, and the Industrial Adjustment Service and Community Futures. With this money, the government can work with employers, workers, communities and help them better meet the challenges of a changing workplace and a more competitive world economy.

The Labour Force Development Strategy will increase the money available to train people collecting UI so that they can get skills needed for better and more permanent jobs. The strategy will also allow Canada to experiment with new and innovative approaches to meet the needs of the working people. By providing funds to UI claimants to become entrepreneurs or to move to places where more jobs are available, Bill C-21 will assist individuals and communities all across the country.

• (2320)

It is not always possible and nor is it simple to take the jobs to the people. People need to have the ability to go to where the jobs are. Unlike the Liberal senators, this government is committed to ensuring that Canadians have all the skills they need to be active players in a changing economy. Bill C-21 will make UI a more effective tool in meeting those needs.

People have always been told that the Senate was a place for sober second thought. Recently it has become a place for political games by people who can use their appointed status to frustrate legislation passed by a democratically elected House.

The senators said that they would set up a special committee to let people speak who had not testified before a legislative committee. Why was it that 54 of the witnesses represented affiliated groups and individuals who had already testified before the legislative committee? Why did the special committee in that other House decide to hear from the same list of groups who had opposed virtually everything that this government had opposed? Why did the special committee in the Senate ignore respected experts in the field of unemployment? I guess it is because they wanted to present one side of the story. They did not want an unbiased opinion. They wanted to spread scare stories because they are not really interested in a serious review of the real, positive impact of this particular bill.

The special Senate committee was also determined to delay this process as long as possible. This House passed Bill C-21 last November 6. The special committee of the Senate did not meet for three weeks after that. It did not present its report to the Senate until February 14. That is uncalled for.

Our Bill C-21 recognizes the needs of areas with higher unemployment rates by creating a table which makes the system simpler and fairer for claimants. But instead of passing Bill C-21, and our permanent variable entrance requirements, the Liberals in the Senate decided to delay the bill. The delay of this bill in that other House means that many people who would be eligible today cannot qualify. Canadians know that Liberal senators are the ones to blame for this. It is too bad because

those people who do need the support, who do need the training, who do need the assistance and maybe the portability to go elsewhere and get jobs have been held back, absolutely held back.

It has been a pleasure to speak in the House because the UI bill has needed to be reviewed and it has needed to be amended for quite some time. What we are doing is giving flexibility, recognizing the needs of high unemployment regions. We are recognizing the concerns of our fishermen in the Atlantic provinces especially, who are going through some very difficult times, and this government will support them, absolutely.

The one thing that this bill recognizes is the changing needs and that this country has to compete with international global trade. If we are going to have the people in place who can meet our trading partners head on we have got to train them. We have to give them the skills and the tools that allow them to go out there and compete because I will tell you that this country is only as economically healthy as the goods and services we produce and the goods and services that we sell.

In conclusion, we want to modernize the system to meet the current needs and, indeed, our future needs. We want to make a more flexible system. We want to remove disincentives from the system. We want the UI system to function both as a bridge back to employment and an important income support system. We want to address the urgent national need to develop our human resources, including the young, the middle-aged and the elderly, to meet the needs and the challenges in the decade that lies ahead of us. These amendments simply do not address these specific issues.

I want to add my support for the motion that was put forth by the hon. government House leader yesterday and I urge my fellow members to do the same thing.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I sat here on Monday and listened to a speech from the new government House leader. He ranted and raved about the inequities of the Senate and he almost got apoplectic as he ranted about the subject. It was unbelievable. It was one of those performances one expects to see on the stage where one of the actors got carried away, but he got carried away with his own rhetoric.

Mr. Speaker, it is hard for me to concentrate with all this yelling across the way. Anyway, what he did do, with all the ranting and raving, was to display what I can only describe as a profound ignorance of constitutional law and practice.

I think it is time that he listened to some of the reasoned arguments that we, on this side of the House, have put forward in respect of this particular series of amendments. In my view, the government House leader should have studied a little bit before he came into the House and started speaking about constitutional practice.

We know, however, that he is new, and we can forget and forgive. But I want to point out for my hon. friend across the way that this party got a new House leader about a month ago and a month later the former government House leader got transferred. He was turned into mincemeat by our House leader and I can only warn the new House leader for the government that he soon may be mincemeat as well. After listening to the arguments he advanced yesterday it is clear that he has a lot of learning to do.

I would like to turn to what he said. I could quote extensively from him but I would not want to bore any hon. members. I know it was one of the most tedious speeches we have listened to for a long time except that the government House leader went into orbit. What he said was some stuff and nonsense here on page 9093 of *Hansard* for yesterday. He said:

> If I may I will quote from a book by Mr. F. A. Kunz entitled *The Modern Senate of Canada* which deals with the period up to 1963. We have not had any political scientist look at the Senate since then and I can understand why not.

Those are the words from the government House leader. What an incredible speech, Mr. Speaker.

Let me read from R. MacGregor Dawson and W. F. Dawson's book, *Democratic Government of Canada*, Fifth Edition, revised by Norman Ward. This is the 1989 edition, by the way, so the government House leader will know that there are political scientists still writing about the Upper House, the other place in this Parliament. I would suggest he get them out and read them. He is the government House leader, he is supposed to know something about this. Anyway, it says at page 63:

> Whether or not the Senate has the constitutional power to amend a money bill has long been a matter of unsettled dispute between the two Houses.

If the hon. member had been paying attention, I said it was MacGregor Dawson.

> The House of Commons, relying on the British parallel of the House of Lords, has always insisted that the Senate possessed no such power. The Senate, on the other hand, has never accepted this in theory, and in practice has repeatedly made its point, even amending bills which have dealt exclusively with matters of finance.

This one does not, I point out.

> In these cases the House has often accepted the amendments, but has added the futile proviso that they were not to be considered as constituting a precedent.
>
> In summary, it may be said that the Senate, although severely handicapped, has been able to do some genuinely useful work. It revises and checks legislation sent up from the Commons—

I could go on, Mr. Speaker, but there is a second book. I would like to read from Professor C.E.S. Franks' book—these are my own copies I should inform the minister—entitled *The Parliament of Canada*, published by the University of Toronto Press in 1987, another recent work by a political scientist of repute. I quote from page 193 of this work which reads:

> The activities of the Senate in its investigative studies and in its revision of legislation are a useful complement to the work of the House of Commons. In both of these spheres of activity the experience and competence of the senators and the freedom they enjoy from the partisan and other pressures of the Commons add a valuable dimension to their work. The Senate has been criticized for being a lobby within government for big business but it would be more accurate to describe it as a defender of the rights of property, a function which it was intended to perform by the Fathers of Confederation.

I could go on again to read further from this learned work, but if the government House leader would like to borrow my copy he would be welcome to have it at any time.

• (2330)

I would like to go on to the rules of the House because that is really where the minister had difficulty. Page 45 of the new Standing Orders deals with this Business of Supply. Standing Order 79(1) provides:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

From a simple reading of this rule, I suggest that if the bill in question proposes an increase in the charge on the public revenue, the royal recommendation is required.

All through the day we have listened to speeches from hon. members opposite saying how this bill saves money, it helps the government reduce its deficit; in other words, it reduces the charges on the public purse, on the Consolidated Revenue Fund of Canada. If it reduces the charges then it does not need a royal recommendation, and yet it had one. Who put it on? I suggest that probably the government House leader had something to do with it and, if he did, I suggest he was wrong and he had better go and check the precedents again.

Second, he relied on Section 53 of the Constitution Act which reads:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

It does not say they cannot be amended in the Senate. It says they "shall originate in the House of Commons". Bill C-21 originated in this House; it has been to the Senate; and now it is back. It does not say anything in there about the Senate's power to amend a money bill.

The only place where the minister was able to point out something about the Senate's power to amend money bills was in Standing Order 80 of the House of Commons. He read it and he read it as though it were the Constitution. If you turn to page 9096 of *Hansard* you will see that the minister was clearly getting very, very confused. I think it is safe to say this minister is so far in over his head he is completely lost. After quoting Standing Order 80 he had the gall to say this:

> It would be in contempt of this House for hon. members to stand up and say that they do not care what Standing Order 80 says, they intend to agree with the Senate's butchering of this Standing Order.

Imagine a government House leader making a statement like that. It is unbelievable. As I say, his whole speech was unbelievable. Standing Order 80(1) reads:

> All aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons—

We agree with that statement. This bill is not "aids and supplies". This bill is slash; cut, cut, cut. This is taking money out of the pockets of the poor in Canada, of the unemployed in Canada, of the people who deserve better from this government. This bill is a contempt of the people of Canada, not just of this House. In

condemning the Senate for trying to help these people, the government House leader is showing Tory arrogance on an impressive scale.

Nevertheless, I want to turn to the rules relating to this issue because there has been a clear misunderstanding of them. I have here May's twenty-first edition and I would like to read some citations from it.

If the government House leader had been so concerned that these amendments from the Senate were out of order, why would he propose a message sending them back? If they were contrary to Standing Order 80(1), why did he not get up on his feet and instead argue that they were out of order and ask Your Honour to so rule?

I will tell you why he did not. He knew they were in order, yet he tried to pretend in his speech that they were out of order without actually saying so. He went through all this stuff and nonsense, saying that the Standing Order did not properly apply, that somehow it was tied in with the Constitution. He read every section he could find.

He got completely confused and obviously he completely befuddled every other member of the government who spoke on this subject because they have all agreed with the nonsense he spouted out yesterday, saying that the Senate was somehow acting improperly. The Senate has acted within its constitutional rights.

I suggest that any member of this House could have moved any of the amendments that have come down to this House from the Senate. We could have moved them at any stage on this bill, and they would have been in order. The government House leader knows that full well.

In support of that I would like to cite May's twenty-first edition. At page 713 Erskine May describes how it is that Parliament gets control of the public expenditure. It is sanctioned in two ways. I quote:

> (1) It is initiated by a money resolution imposing a charge payable "out of moneys to be provided by Parliament" which receives confirmation by specific enactment;
>
> (2) It is subsequently presented to the House of Commons in the form of an estimate which receives final sanction in the Appropriation Act.

It is our submission that the normal practice with Estimates is that they be presented with a message from His Excellency which recommend those Estimates to the House. Based on those Estimates, we grant aids and supplies to Her Majesty.

This bill, the Unemployment Insurance Act, constitutes a charge on the public revenue of Canada, a statutory charge. It is not granted. The moneys for payment are not granted as aids and supplies as defined in Standing Order 80(1) of this House. It is completely in accordance with British constitutional practice.

The Minister of Justice should be listening. She may need this lesson some day, in case within another two weeks she becomes government House leader because the previous one is going to be mincemeat when our House Leader get through with him.

An hon. member: Oh, oh!

Mr. Milliken: Mr. Speaker, I ask for some order. I cannot hear myself think.

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order, please. I would like to hear the hon. member speak. It is getting awfully close to the end of the day. The hon. member for Kingston and the Islands has the floor.

Mr. Milliken: I will continue reading from May's twenty-first edition. It continues:

> Instances of charges imposed upon moneys to be provided by Parliament occur in abundance every session. The following examples may be given—Any proposal whereby the Crown would incur a liability or a contingent liability payable out of money to be voted by Parliament—Another type of expenditure, initiated by money resolutions, examples of which occur in the legislation of every session, is the imposition of charges to be paid directly out of the Consolidated Fund.

I could read plenty more on this. There is one other paragraph I think is very important and most instructive for this bill. On page 716, we see the following:

> No special form of procedure applies to proposals to reduce existing charges, and they may be moved in the House or in Committee without the royal recommendation.

Now that is a message that had clearly not sunk in for the government House leader. To continue:

A proposed reduction of a charge may consist in reducing its amount, or restricting its objects, or inserting limiting conditions, or shortening the period of its operation. The transference of a charge from the Consolidated Fund to "moneys to be provided by Parliament", i.e. its transformation from an indefinitely continuing to an annually renewable charge—may be regarded as an instance of reducing the duration of a charge.

The same principle applies in the case of amendments moved to a bill which abolishes or reduces a charge authorized by existing law. Amendments to such a bill, which are designed to restore a portion or the whole of the charge which the bill proposes to reduce or abolish, are in order without the need of a preliminary financial resolution.

• (2340)

In other words, we did not need a resolution on this one. The minister said yesterday that he had a resolution on it and therefore the Senate could not change it. I say that is utter rubbish. It is quite clear from the authority of Erskine May that one was not required on this bill in the first place, except for one possible argument. The one possible argument is that this bill in fact increased the charges to employers and employees while it reduced the benefits. A typical Tory tactic if I may say so: hike the charge and lower the service.

Tory times are hard times and everybody in Canada knows it. They are trying to cover it up by saying the Senate is to blame but in fact this government, by this bill, has reduced the benefits payable to the unemployed and it has increased the charges to the people contributing to the fund. It is a scandal and an outrageous charge to the people of Canada.

I want to turn to another point. If the Senate amendments to the bill were out of order, why did the minister not argue that they were out of order and ask Your Honour to say so under Standing Order 80(1)? Instead, he decided to lambaste the good people in the other place, distinguished men and women who have served their country and who have been appointed there to continue to give sober second thought to the ridiculous legislation introduced in this House by the government. I suggest that in this case they are trying to save the unemployed people in Canada from this mean-spirited government.

To help the minister further in this learning process which I think he has clearly demonstrated he needs to undergo, I should like to refer him to the ninth report of the Standing Senate Committee on National Finance. It will be found at Appendix A of the Senate Debates for February 13, 1990, at page 1101. In there the Senate committee did a very detailed study of the use of royal recommendations in this House and in Parliament in general.

I recommend that the minister have a good long look at that particular report because it explains very clearly how the royal recommendation should be used and it suggests improvements for its use in this House. Perhaps if the minister used it more often he would not tack it on to bills that he does not need to.

I want to give him notice that in the future I will be raising this point because I think there are bills on the Order Paper from time to time that do not need a royal recommendation. He is sticking it on there so he can argue that we cannot touch it or change it. That argument will not hold water because we now have the goods on royal recommendations. It is all contained in this report.

I could not leave the subject without dealing with my friends on my left. I heard the hon. member for Nickel Belt say that he was going to oppose these amendments. I had trouble following his logic, but he said that he thought the bill should be killed. Therefore he was going to vote against this motion because somehow he thought that might help kill the bill. I suppose it might, but frankly I think it is quite a useless gesture. If that is really his intention he should take the best he can get, and that is to get these improvements into this bill and vote for these amendments.

I think I know what happened. I know he has grave concern because of the feeling in the New Democratic Party that the Senate should be abolished. They do not like to be seen to be supporting the Senate. Of course in this case that is exactly what they should be doing, because the Senate is the one chance of salvation for the unemployed in Canada in face of government intransigence.

I should like to invite the New Democratic Party to join us in this regard. The trouble is that in listening to the hon. member for Nickel Belt one would have thought that there no other party had ever done anything for the unemployed in Canada except the New Democratic Party. He forgot that they have never been in office. We are the only ones that have ever done anything for the unemployed in Canada. This government cuts them back. The Liberal Party has always

championed the unemployed. It has always done everything for the unemployed.

Some hon. members: Hear, hear!

Mr. Milliken: The New Democratic Party has never lifted a finger for the unemployed. It sits here and bleats and yells every day and makes it sound as though it is their sole champion when it is the Liberal Party which, for over 100 years in Canada, has provided relief for people in need. The Conservative Party has never introduced one major social policy of any value. When it gets into office all it does is cut, cut, cut; slash, slash, slash. Social programs are destroyed in Canada by this government. We are here to defend the sensible policies introduced by previous Liberal governments.

Some hon. members: Hear, hear!

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I am tempted to say it is a pleasure to rise to speak on this bill, but frankly it seems, as I reflect over the last several months, that not only I but many other members in this House time and time again have risen to speak on it.

I must say I envy the hon. member for Kingston and the Islands who has just spoken, not so much because of the profoundness or the wisdom of what he had to say, but because of the fact that he had a voice with which to say it. Nevertheless, I shall do my best to make a few observations which I trust will be helpful to this House in trying to make a decision on how best to vote on this very important measure once again before us tonight.

I look back over the history of this bill and I am simply amazed at the litany of times it has come before this House for discussion. Are we to discuss this bill interminably and never get on with any other business of the nation? I do not know what my hon. friends opposite are up to or what their aspirations are, but indeed I do have some thoughts which I will share, if my voice holds out tonight, as to what our friends down the hall are up to.

This bill has been before this House since June 1, and I hope that this is the last time that it is here for our consideration. I must ask: Who are these people down the hall who send this bill back to us so many times? Who are these people who have given themselves a mandate to disrupt the business of this country, who have given themselves a mandate to ignore and have fun with democracy?

We are told in the history books that when this country was created and the British North America Act was brought in 1867, the Senate was to be a place for sober second thought. I understood that the intention was that they would seek out some outstanding citizens, perhaps some elder statesmen, that these people would sit in the Senate, and that they would review the decisions and the legislation brought forward by the elected representatives of the people. This was some 125 years ago, before we had the same commitment to democracy that we have in this country today. The idea was that what would come from the other place would be wisdom, and not simply the Machiavellian actions of a bunch of hacks.

I regret to say that what we are getting is not contribution to legislation but disruption. I regret to say that they are trying to break the legislative process, and not build and contribute to it. What is happening in the other place is a travesty of democracy. I regret to say that I am one of those few who believes that the Senate could have a very useful role to play in contributing to the democratic process. I believe it should be, as my hon. friend from Calgary has just said, a place of important contributions. Unfortunately, I think they could well lead to the demise, the destruction, and ultimately the abandonment of that other place.

When the senators set up their special committee they said they wanted to hear the people who had not been heard on this issue. We heard from members opposite today about how the legislative committee heard witnesses in a hasty manner across the country.

I must tell you, Mr. Speaker, that I was one of the members of that legislative committee. We heard many, many witnesses. It is interesting to note that 54 of the witnesses that we heard also appeared before the Senate committee. "Had they not been heard the first time", I ask hon. members opposite who were there, some of whom are in this chamber tonight. Of course they were heard. Why did that committee from the other place choose to hear from the same people from whom we had already heard?

I submit—and it is with great regret that I have to pass along this observation—that there were Machiavellian tactics being thought up in the other place. I suggest that the objective in the other place was not to participate, to contribute and to hear what Canadians have said. Canadians in my part of the country are telling me that they want to see an overhaul and a reform of the unemploy-

ment insurance system. They want to see an end to the cheating and a discouragement of the cheating. They want to see incentives for people to seek out and take advantage of employment opportunities. They want to see an unemployment insurance system that is active rather than passive in the way it helps people find themselves useful and fair employment in society.

• (2350)

I regret to say that the exercise we are engaged in here tonight is not one that is necessarily useful and helpful but is a redundant exercise forced upon this place by the people in the other place in a highly improper and irresponsible manner. It is interesting to note that we have had other precedents where the other place has dealt with legislation on the unemployment insurance system. It is interesting just for the record to review the track record of the other place with respect to legislation.

I am reminded, for example, that in 1977 there was Bill C–27. The minister of the day was the hon. Bud Cullen. The government was of a political stripe somewhat different from that of the incumbent government in this country today. It is interesting to review the provisions of that legislative back in 1977.

We had, for example, a change from a flat entrance requirement to a variable entrance requirement. We had a reduction in benefit duration for some claimants, a reduction perpetrated by the people on the other side. We had authorization of developmental uses for unemployment insurance funds. What an interesting concept. They should read Bill C–21. They would find the same idea there, including the idea and the use of funds as income maintenance for claimants on approved training courses. What an interesting idea.

The entrance requirement was hotly disputed at a House of Commons committee. Time allocation was used. Imagine that, Mr. Speaker, time allocation used by the Liberal government of the day to effect speedy passage of the bill through the House at that time.

On it went to the Senate, this contentious piece of legislation presenting a lot of the same principles that are quoted in Bill C–21. I know you can guess what happened in the Senate, Mr. Speaker. I know that you expect that the Senate set up a special committee and toured Canada. It went to little towns like Canso, Nova Scotia to hear what the people thought.

Let me tell you what the record is, Mr. Speaker. It just so happens that the Senate received Bill C–27 on August 2, 1977 and reported the bill without amendment the following day, on August 3, 1977. Is that not a remarkable record to observe?

The following year we had Bill C–14 brought before the House of Commons, again by the hon. Bud Cullen as minister. This was a time when Prime Minister Trudeau wanted restraint measures brought in. What did the bill contain at that time? It is interesting to review the record. It contained higher entrance requirements for repeaters. Say it isn't not so. It contained higher entrance requirements for new entrants. Surely not in a bill introduced by a government of members opposite. It contained a reduction of benefit rate from two–thirds to 60 per cent. Surely they were not suggesting that the unemployed people on benefits should be drawing less money than they were before.

You are not going to believe this one. It contained recovery through the income tax system of a portion of UI benefits of high income claimants. Can you believe it, Mr. Speaker? This was in a bill introduced by a government of the people who now sit on the other side of this chamber.

At committee stage the government estimated that Bill C–14 would result in savings of $885 million in UI benefit payments. Is that not that a remarkable achievement? Now what happened to that bill? They did not wait until it left this place. It was pre–studied for three weeks by the Senate at that time, but rushed through the Senate, all stages with no amendment, on the same day as it received passage in the House, December 22, 1978. By the way, Royal Assent was achieved on that very same day.

What does one conclude, Mr. Speaker, about this history of behaviour with unemployment insurance legislation by those people in that other place? One can conclude but one thing, and that is that legislation in the other place is treated one way if it comes from a Liberal government and another way if it comes from a government headed by the Progressive Conservative Party of Canada. It is an appalling and shocking form of beha-

viour. This question can be put: Does this government listen to the people? Does it listen to sound advice?

Some hon. members: Yes.

Mr. McCreath: I hear my colleagues saying "yes", and they are absolutely, unequivocally correct about this.

This government has listened. It has reviewed with great care all of the recommendations from the other place. I am pleased to say that some good recommendations came from the other place. Because this government listens, some of those recommendations have been incorporated and are accepted in the motion that we put forward tonight. For example, we recognize the impact which illiteracy has on Canadian workers and on employers. The lack of basic skills is an impediment to further training for that reason. Recommendation 1 is worth including in this bill.

One could go on and speak about other changes that are there. For example, one that is of particular interest to me is the one that affects fishermen. In the eighth recommendation the Senate has also asked this House to consider removing a subsection in the UI act which has been in place for almost 20 years. That subsection would allow the Governor in Council to remove benefits for self-employed fishermen from the UI act at any time. With the concerns shared by all Canadians in the fishery, I think it is very appropriate that this recommendation should be accepted because there is no question that fishermen are in a very unique position with respect to unemployment insurance.

As a member who represents some 8,000 people employed in the fishing industry, I have some familiarity with the impact of unemployment insurance on fishermen. I find that people quite often ask me: "How come fishermen are treated differently from everybody else?"

The answer is quite simple and it cannot be repeated often enough. How come farmers and people in the forest industry are not in the same situation? It is for a very simple reason. It is because fishermen are self-employed. They are the only self-employed people included in the unemployment insurance scheme. The reason they are included is that unlike every other industry theirs is regulated directly by the government, and therefore fishermen are told that they cannot go and fish from time to time. That is why they have the special provision. It is properly there. It should continue to be there, and I am delighted to see that among many things this government has maintained that provision.

I could go on and speak on more of the recommendations, most of which quite frankly are nonsense and most of which quite frankly are clearly and unequivocally intended to do nothing but disrupt the business of the country, nothing but try to destroy the piece of legislation that has been brought before us. It would simply tie up the government and the country and continue to do what those people over there are doing right now, that is, deny the benefits of Bill C-21 to the people of this country.

I think this is an outrageous thing, coming from an area as I do where we are suffering fish plant closures, that plants are closing down and people are being put out of employment. What is the Senate of Canada doing for them? It is forcing them to have to meet 20 weeks in order to qualify for unemployment insurance. That is the concern that those people over there have for the people of Atlantic Canada and the people of the fishing communities. I for one think that it is absolutely and utterly outrageous.

What is their approach to unemployment insurance? What is it they are looking to have done? They seem to think that the only thing unemployment insurance should do is put people on a payout and leave them there until such time as their job comes back again. What happens if you are in an industry where your job is not going to come back again? What happens if you are in a fishing community and there is not enough fish and the plant has to close? The job is never going to come back. Do you just subsidize people forever? No. You have an active program that is going to help them find another approach. The whole thrust of this legislation is to shift from a passive to an active approach in unemployment insurance.

There are many points I have been wanting to make, but I will make only one last point and then I will conclude my remarks. There have been suggestions that this government does not have a mandate to do what is

being done in Bill C–21. Nothing could be further from the truth or greater nonsense. Check the record.

Do we have a mandate? They say it was not a part of our 1988 platform. If they check the record they will see that the Prime Minister of this country promised the best adjustment programs in the world. I would like to say that with Bill C–21, together with other measures from the Labour Force Development Strategy, the Prime Minister and the government of Canada have in fact delivered on that program as best they can.

• (0000)

They have allowed us to move our UI system from passive to active, which is something that Canadians support. Interestingly enough, it is something Mr. Turner, the former leader of the opposition, supported when he was running for office in 1984. We have forgotten that and he forgot that. Do we have a mandate? Did Mr. Trudeau have a mandate for wage and price controls in 1974? I do not recall that he did. I remember him saying: "Zap, you are frozen" to Mr. Stanfield and I remember in 1985 that he imposed wage and price controls.

This government has a mandate. It came on November 21, 1988. That is the mandate that counts. That is the mandate that will be renewed in 1993.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, it gives me a lot of pain to have to address this subject tonight and the rehashing of the worst attempt at setting back the working people and the unemployed in Canada that we have witnessed in Canadian history for a long, long time.

Yesterday, we had a delegation that met both with the NDP caucus and also with the Liberal caucus, representing not only the Canadian Labour Congress but a number of other organizations, most of them unaffiliated with that Congress. The delegation included Shirley Carr, president of the CLC; Louis Laberge, president of the Quebec Federation of Labour; Jim McCambley, president of the Canadian Federation of Labour; Gérald Larose, president of the Confederation of National Trade Unions; Kitty O'Callaghan, president of the Canadian Teachers Federation; Lorraine Pagé, president of the Quebec Teaching Congress; Kathleen Connors, president of the National Federation of Nurses' Unions; and Louis Lacroix, president of the Canadian Conference of Teamsters. This delegation represented in all close to 4 million dues–paying working Canadians.

Their message was very clear to both ourselves and the other opposition party, but that government that pretends to represent the majority of Canadians or the plurality of Canadians, did not even have the decency to agree to meet with the representatives of 4 million working Canadians. That is absolutely shameful, particularly when the subject at hand has to do with one of the most important parts of the Canadian social safety net that this government seems intent on putting the axe to.

Because the government did not see fit to meet and to listen, for the record I want to read part of the statement of those representatives, not all of whom have any strong connection with the New Democratic Party by the way. There are a number of organizations here representing a pretty broad cross–section of working people.

The leaders of this labour coalition opposed to Bill C–21 were meeting with the Liberal and NDP parliamentary caucuses to reiterate their opposition to this legislation. The coalition made every effort to meet with the employment minister and the Conservative caucus but their request was denied. They stated:

> Unemployment insurance is fundamental to the economic and social security of all workers; unionized and non–unionized, full–time and part–time, private sector and public sector.

In saying this, they were playing the traditional role of working people under the labour movement in Canada, of organized workers, in speaking not only for themselves but for unorganized workers from one end of Canada to the other, because who else has ever spoken for them?

We had challenges from the other side of the House today saying: "You are only speaking for the labour bosses, you are only speaking for those unions that are in the NDP's pocket", or vice versa as they like to put it. That is simply not true, because if you look back through the social and economic history of Canada, virtually no one outside of the democratic organized working trade union movement of Canada has spoken up for unorganized workers in every part of this nation.

They went on to state:

> Bill C-21 destroys many of the principles upon which the unemployment insurance system has been built.

That is true.

> Its most basic purpose—insuring workers against the loss of earnings—is seriously undermined. And the tripartite financing of UI by employers, workers and government developed over the past fifty years is destroyed by this Bill.

I suggest that the government knows that, despite all its prattling, because this bill is just the latest in a long series of economic measures that this government has taken, as did in many ways the Trudeau government before it, to try to push Canadian workers further to the back of the bus. It started with the wage and price controls in October, 1976. Real incomes of Canadian workers have dropped ever since then. There has been a continuous attack ever since that time by successive federal governments to put workers back in what those people over there and sometimes these people to our right seem to think is "their place".

Canadian workers have a right to expect something better of their governments whether or not they vote for them, because any government in a democratic society is supposedly elected to serve the interests of all of the people. To ignore the legitimate needs, aspirations and demands of some 4 million people, to give proper accordance to the security of their members and the people they are elected to represent, is fundamentally wrong in a democratic society.

The delegation went on to state:

> In addition to the $1.3 billion of cuts in benefits to unemployed workers, Bill C-21 will shift $5 billion of government financial responsibilities to worker and employer UI premium payers.

In doing that, the government paid no attention whatsoever to ability to pay, neither of working people nor of the business community. Not much has been said about that part of it, but a number of employers have objected to this bill for precisely that reason, especially employers in the small business community.

The entire cost of what is a social program and a social insurance program is now being shifted out of general revenue, that portion of it that used to be properly charged to general revenue of the nation, and being put solely on employer and employee premiums. Those premiums do not make any distinction as to whether an employer is running a profitable enterprise, an unprofitable enterprise, or a marginal enterprise. It is just one other shift away from progressive taxation, whether in the corporate sector or in the area of individual income tax.

The $5 billion of government financial responsibilities have been shifted to worker and employer UI premium payers. What constitutes that $5 billion? An amount of $2.5 billion of government contributions for UI extended benefits resulting from high regional unemployment will be withdrawn. This is an end to regional equity. How much of this entire attack on the unemployment insurance system and in a sense privatizing it by putting it solely into the contributions of employers and employees is a result of the whole strategy behind the free trade agreement? The exact promises that the Prime Minister made in the last federal election that free trade would not mean a destruction of the Canadian social safety net is obviously false. This is the first major attack in line with that philosophy and commitment obviously made at the time of the free trade agreement that we have seen.

Included also in this $5 billion is about $300 million of government subsidies for UI fishery benefits which will be transferred to premium payers. Fifteen per cent of UI premiums, about $2 billion a year, will be used to finance the purchase of training courses, resettlement, business start-ups, wage subsidies and other labour adjustment programs now financed from general government revenues.

What does some of that financing have to do with income maintenance or unemployment insurance? Training people is fine. It is laudable. We need better and expanded training programs in a wide variety of areas in Canada. But it is a totally improper charge on employers and employees to pay for education. That is something that ought to come out of general revenue, whether through the provinces or through the federal government. There is no excuse. There is no legitimate argument that can be made to have that financed totally out of employer and employee premiums. It simply does not belong there. It is bad social cost accounting.

• (0010)

The delegation went on to state:

> Bill C-21 will negatively affect a million unemployed workers. Tens of thousands who would have previously qualified will not even qualify for benefits because of the higher entrance requirement. And hundreds of thousands will exhaust their benefits months before they find a job because of reduced duration.
>
> The proposal to significantly reduce benefit levels and restrict the opportunity to qualify for UI will hit hardest lower income groups, people with short term or part-time employment and disadvantaged regions. It does not provide flexibility for individuals and specific

occupation groups to qualify where employment opportunities are periodically weak for cyclical, sectoral, seasonal or regional reasons.

To those of us who come from resource areas of this country like the east and west Kootenays in the province of British Columbia, we particularly understand, and the people we represent especially understand, just how this bill particularly hits and hurts them and hurts the communities in which they live.

The delegation further stated:

The primary purpose of unemployment insurance has been and must continue to be the insurance of workers' earnings while unemployed or on training. The use of UI premiums to finance non-income support programs is a back-door tax on workers to finance programs which should be financed from general government revenues. Several employer organizations have publicly expressed their opposition to this misuse of UI premiums.

That simply reinforces the comments I made earlier and it is correct.

The withdrawal of government funding will also place the pooled-risk unemployment insurance fund in a cumulative deficit position.

We find it totally unacceptable that labour adjustment programs should be financed by cuts in benefits and benefit entitlements to unemployed workers who have paid premiums for insurance against the interruption of earnings.

With this Bill, the government has significantly weakened the principal labour adjustment program in Canada. As the major stakeholder we ask the government to withdraw this Bill. This Bill in no way represents the promises the government made in the last election with respect to unemployment insurance or labour adjustment programs.

That was not a long message that that delegation had to bring to Parliament yesterday and attempted to bring to the government yesterday and to the Conservative caucus. Surely, it is not asking too much that that caucus over there and the government that it supports should have taken the time to listen. Sure the members can say: "We have heard this song before". But it is like the Bourbons in post-revolutionary France. They forgot nothing and they learned nothing. If they have to listen to the same message over and over again in order to learn something, perhaps that is what they should have done. It is not too late.

We have heard a number of contributions to this debate that seem to suggest that when the Liberal party was in power with Mr. Trudeau and Mr. Pearson and Mr. King before that, and God knows how far back it goes, everything was hunky-dory for Canadian workers. We know, and anybody who knows anything about Canadian history, realizes that that was not the case either. Politics is about bargaining power.

It is interesting to note even though this party and its predecessor, the Co-operative Commonwealth Federation, have never held federal power, it has only been in those times when either we or our predecessor have been high in the polls or have come close to winning a major province such as Ontario, or held the balance of power in this federal Parliament, that we have had any significant progress in any major field of social legislation in the history of Canada. That goes back, Mr. Speaker as you well know, to 1926 when Mr. Woodsworth and Mr. Heaps with only two members held the balance of power. At that time they had a promise from Mackenzie King, the gentleman who said, "Do nothing by halves that can be done by quarters", and God did he ever prove it.

Somebody over there suggests that that is what it is all about. Yes, that is what politics is about to people who do not directly represent ordinary working people across this country, or if they do represent them, do not understand them and do not understand the kinds of problems they have.

There were two commitments made in an exchange of correspondence between Mr. King and Mr. Woodsworth at that time. One was that the government would immediately move to bring in a system of old age pensions. That promise was acted upon rather quickly. We then had to wait from 1926 until the end of World War II, some 20 years until, coincidentally, the CCF was leading the polls nationally across Canada and came within four seats of winning the Government of Ontario, when the Liberal Government finally decided they had better listen to the voice of some political bargaining power and finally act on a promise made in 1926 to bring in unemployment insurance.

There is nothing wrong in responding to the voice of the people as expressed in elections, as expressed in polls

or however they want to express them. There is nothing wrong with that. But when you have governments that only seem to respond to threat and never attempt to lead public opinion because they want to do something that is right for ordinary working people, then there is something wrong with the democratic process. There is a time that politicians ought to lead, not just follow and not just buckle to pressure, even when that pressure is good pressure.

We then had another dearth after the immediate post-war era. There was bit of a lull, except that there were things happening in the provinces across Canada, particularly in the province of Saskatchewan, when despite fierce opposition, hysterical opposition from both Liberals and Conservatives, hospital insurance was established in 1947-1948. We were Bolsheviks, we were Commies, we were pinkos and we were Nazis. Anything that could have been a bad term was hurled at us by both Liberals and Tories right across the country, because we wanted to bring in hospital insurance, old age pensions, and these other things.

Now we have a Conservative government and the Prime Minister has stated: "If we get a second term, you will never recognize this country". Well, they got their second term. If they continue to get through measures like the one that is now before us and other ones that we have seen in the last four or five years, particularly in the last year and a half, this country will be unrecognizable, but it will not be the better for it.

After that period, we then moved on into the period of Mr. Diefenbaker. He did some worthwhile things. Much more than a Conservative, Mr. Diefenbaker was a western populist. All you have to do is look at the record and see how much time the best known Conservatives across the country spent in trying to shove a knife into his back. But he did listen and he did manage to implement and put in place nationally what the province of Saskatchewan had pioneered earlier.

We then had the minority Pearson years. We had medicare then again established, which was pioneered by Tommy Douglas and the NDP in the province of Saskatchewan, despite Liberal attempts to kick down the door of the legislatures, and fierce opposition from the Conservatives. Everybody got into the name-calling phase again.

Now we have a Conservative government in its second term that seems determined to try to move working people once again to the back of the bus, and entrench in a free trade agreement and in other ways, a right-wing reactionary agenda, which if it is successful, will put this country on the back roads for a long, long time. We do not intend to support that kind of action and we will do everything we can to stop it.

• (0020)

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, thank you for the opportunity to address Bill C-21 again, and I hope for the last time. First, to give you some advance notice, I want to speak rather briefly on this so as to allow my hon. colleague from Wetaskiwin some time before the vote this evening, I will not be taking the full 20 minutes and I hope those who are following me will extend the same courtesy to my colleague.

The delay in the Senate, which I am sure you have heard referred to many times before as being an unelected and unaccountable body, has resulted in this matter being placed before us in a most unacceptable fashion. At the risk of breaking the heart of someone who might be listening, I might tell you that I have had many mothers-to-be calling me and asking: "When is this bill going to be passed? I am currently employed outside of the home. I am looking for some help that this bill will give me. I know it is a positive thing; it will provide me with an opportunity to raise my family for the length of time that is required as an appropriate period and one that will get our children off and running to a good start and one that will not require institutionalized care at an early stage when children require love, affection and have the desire to be held".

Therefore, there are many people out there who are non-politically aligned and who are looking at this bill with a great deal of anticipation. I encourage all members in this House to respect their wishes, to respect the wish to the natural mother and to respect the fact that this is a matter that is being placed in our hands and subsequently in the hands of the public in the form of a bill that requires only the understanding and good common sense of that other body and I hope that it does respond in a positive sense.

In taking the time to prepare a few comments about the subject before us, I could not help but observe that perhaps an understanding of what unemployment insurance is might be of some benefit to those who are debating the bill, some benefit to those who have questions with respect to some of the garbage that has been floating aloft in an attempt to grasp the inattentive with the thought that they might succumb to perhaps a distorted view of some in this House. I want to say that unemployment insurance is very simply a scheme, a plan, an endeavour whereby the employer and the employee get together, by way of an agreement, and insure the fact that once the employee's labour should no longer be made available to the employer, that the employee would be the recipient of some funds that would provide a lifestyle which is deemed by society to be generally acceptable, given the circumstances.

Beyond that, and this bill does provide, and the government has said many times, that should there ever be the necessity to have the government step in and fill in the void caused by an emergency situation which has caused the unemployment insurance pool to dry up, the government will be there. I think that that is the role of the government. The government is there to ensure that if you slip and fall, it is there to pick you up. But, I do not think it is a government's role to tie a leash around your neck and drag it behind you to suit its own political agenda. I cannot concur with that at all. Government should be there to encourage people to be self-motivated rather than having the government pour its own agenda into the mind of humanity and expect humanity to follow it.

The government's responsibilities indeed go as far as Bill C-21. In fact, they go much further than that. Many of my colleagues have made reference not only to the two or three amendments to which the other place has made reference that are deemed to be acceptable but it also goes beyond the simple up-front issues to the more gut-wrenching issues of trying to run a country with a social conscience on one hand, and with a budget on the other hand. There is a mentality which suggests that one can ignore what programs cost, just be up front, be first to commit yourself as a government body or as a political body in the pursuit of a social good, and damn the financial consequences.

Sooner or later you get to a point where future generations are faced with the consequences that I think are placed before us right now. There have been some political parties which have said that they were the first in developing a medicare plan. I understand that medicare has progressed rather rapidly to the point where the city of Regina, some very few short years ago possessed not one CAT-scan machine. We did find that our citizens had to go to Edmonton and to Saskatoon. Finally, the city of Regina obtained a CAT-scan machine. One CAT-scan machine was not good enough. We now have three CAT-scan machines. Three times as many CAT-scan machines as we need, but nevertheless because they are available now, in order to get a proper physical in the city of Regina, you must go and get a complete CAT-scan. If you do not like that doctor's opinion you simply go to another doctor and get another CAT-scan. I do not know how much these machines cost but I am told they are in the millions of dollars. Where is the logic attached to this? Who would dare run on the political platform that we have got too many CAT-scan machines. The simple truth of the matter is that in consultation with specialists in our city we have simply oversupplied in that particular medical commodity. I am not being a medical specialist. I do not know where that all ends.

Yes, socialism running rampant at election time is likely to get you some public support. But on the other hand, once in power how does one pay for all these things? How does one pay for all these so-called benefits that simply take a nod of the head and it is there— we can afford anything. We have this magical machine in the basement of this building that not only pumps out brand new dollar bills, but it pumps out more gold than you and I could ever spend.

The bill before us does address some specific issues that I would like to make reference to, if I have time. They do enter into the area of youth and as well social assistance recipients, just to pick out two of the items of the bill because the bill is rather lengthy and I know others have spoken to it. Given the series of facts, and there are some three or four pages of facts that deal with the plight of youth in our system and deal with the fact that we have a high school drop-out situation that is not tolerable, given the fact that youth are currently entering into the market-place and not properly trained and equipped for a lot of the jobs that the industrial sector

requires of them, it is our goal, through the funding that we hope to raise through this bill, to provide for some additional training.

The same thing holds true for social assistance recipients. I have to relate a fact to you, Mr. Speaker. When I was the Mayor of Regina—you may not believe this but this actually happened—we and the provincial government plotted in an attempt to exploit the funds available to us through the unemployment insurance program. We took some city money, some provincial money, took someone off the welfare roll and said we are going to make work for you so that you can work long enough so you can go on unemployment insurance and collect pogey and rip off the federal system. We are in this governmental system to make sure that those kinds of slippages, or those attempts to rip the system off in fact deplete themselves. We are responsible to the Canadian taxpayer and to the tax dollar to ensure that the benefits that Canadians have elected us to provide for them remain to be a goal that they can attain.

I would like to conclude at an early time to allow my friend from Wetaskiwin to have the floor. I know he has worked many long minutes in preparing a full 20 minute dissertation that I am sure you and the House of Commons would dearly like to listen to. I will conclude by thanking you for the opportunity that I have had to address Bill C-21.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I would like to review this bill in the sense of its stand with the Canadian constitution. Our friends opposite and the government are calling this a finance bill. It is not. My hon. friend for Kingston and the Islands made that abundantly clear earlier this evening.

In 1937, the Rowell commission report outlined the of fairness of the division of financial responsibility between the federal government and the provinces. They did that because during the depression years of the thirties some provincial governments went broke because they were incapable of looking after the unemployed and those who required social payments.

When this report was brought in, an amendment to the BNA was necessary. It is very interesting to note that that amendment was brought in in the summer of 1940 and passed through this House of Commons. At that time, the amendment became 2(A) of the BNA of 1940. It was added on to Section 91 of the BNA and Section 1 was amended by inserting thereafter Item 2 following the regulation of trade and commerce and 2(a) simply became unemployment insurance.

• (0030)

Let us look at what that really meant. In the distribution of those powers it meant the prevention and relief of unemployment. This is a section from the Rowell-Sirois Commission report. They were two very distinguished judges, and there were others working on it. This was one of the most intensive studies ever undertaken by any royal commission that we have had in this country on financial divisions between the provinces and the federal government.

I want you to realize that this report encompassed the whole country in those days. The provinces were in terrible financial straits because they carried the burden of the unemployed. They carried the burden of those who needed assistance during those Depression years, without having the financial capability to pay for it.

In the introduction of the Rowell-Sirois Commission report, under the heading "Prevention and Relief of Unemployment as a Federal Responsibility" this is what those esteemed judges said: "The assumption of responsibility by the Dominion of Canada for relief or aid of unemployed employables would entail: (1) Complete financial responsibility."

I repeat for the members on the government side that in 1940 this meant complete financial responsibility by the federal government of this country. Under the second item they were to take over full control of its administration. For efficient administration, it would also be essential to do the following: that the Dominion define employability for purposes of administering unemployment aid.

I maintain that what this government is saying to the employers of this country and to the workers of this country is this: "We are no longer going to pay one red cent towards unemployment insurance programs in this country; you are going to pay your own. You small businessmen out there, you are going to have to pay more to keep up the unemployment insurance fund. You people who are working daily are employed and you are going to have to pay more to help out the others. This is a federal government of cheap skates. We are not going

to put up a single red cent towards the program". The government calls that efficient administration.

Here are some of the other recommendations: that the Dominion have full control of administration of employment aid; that a national employment service be established and administered by the Dominion without prejudice to the right of the province to continue or develop an employment service of its own; and that the Dominion be empowered to establish a system of compulsory unemployment insurance. Again, that refers to the federal government. I want to repeat that this was done in order to take some of the financial burden off the provinces which, obviously, could not afford it.

There is another thing that is very realistic in this whole deal. In the same Rowell–Sirois Commission report one of the recommendations and one of the understandings was that the provinces of this country would have the field of direct taxation to themselves. What is this federal government doing to the provinces today? It is entering into the direct taxation field. That is why you have double taxation.

The GST is going to become double taxation. The GST is a form of direct taxation. The government is robbing the provinces of this country of their basic constitutional right.

The Minister of Justice should listen to this because she is going to be reading it in the days ahead. In fact, she will be reading the history of how the government that she belongs to right now tore down the unemployment insurance system in this country and dumped the burden on to the provinces of this country. Even the Minister for Privatization before a legislative committee one day said to me that the provinces are getting off too light. He said that they should have some debt, too. Because you have good administration, because you are basing your government on the division of financial powers given to you by a royal commission in this country, you must see that this constitutional responsibility has been in the hands of the federal government for 50 years this coming July.

You are giving up that constitutional responsibility. You are backing away. You are not going to accept your responsibility. You did the same thing in the field of medicare. What did you do? You dumped on to the provinces post–secondary education. Then you had the gall as the government to come forward and say that you are going to train people for another job. Is that not wonderful? You are going to train people for another job but you are taking money away from the provinces when it comes to post–secondary education, which simply proves that you are not all that committed to education at all. What reason do the workers of this country have to think that you are going to deal with them any better under this legislation?

Let us get from the provincial governments down to the municipalities and what effect this bill will have on them. You are going to have the welfare system in full tow at the provincial level because people are not going to get unemployment insurance for the periods that they need it. They are going to have that long waiting period for it. What if someone quits his job? Who is going to clarify why they quit and whether they were justified in doing it? Are you going to force them to work under cruel conditions, under mean conditions, and if they decide to quit their job you are going to take away their unemployment insurance? You are going to put those people on the doorsteps of every municipality across this country.

Here is something else that the royal commission report said 50 years ago. It should benefit this government today. "Nothing in the history of Canadian government has contributed more to the breakdown of public finance, or has been productive of greater waste in the economy than the attempt to hold local governments primarily responsible for unemployment as well as for relief". That was said just a little over 50 years ago.

This government belongs back in the early thirties. At the rate it is going it will put this country back into a recession. You are going to have this same situation all over again where provincial governments and municipalities are not going to be able to afford this.

If the municipalities are loaded with that financial burden, who is going to pay the tax bill? It is going to be the real estate people right in that municipality, the home dwellers, the small businesses, the factories, John Q. Public who buys a new home. They are going to be charged extra taxes. Your local taxes will go sky high to pay your welfare bills. That will be the inheritance of this government, and that will be the inheritance of you also.

Some hon. members: Oh, oh!

Mr. Hopkins: You can shout. You are always much better at speaking from the seat of your pants than you are from the soles of your feet—much better.

The province or the municipality is not a convenient authority for spreading the risks of unemployment over a term of years by insurance methods or otherwise. This is another quotation from the Rowell–Sirois Commission report: "It leads to debt of the provinces. It leads to debt of the municipality and the loss of financial independence, becoming in effect a ward of the Dominion". Who would ever want to become a ward of this government?

• (0040)

Their Honours went on to say: "So long as the responsibility for unemployment rests with the provinces, Canada will be unable to eliminate the unavoidable economic wastes and social consequences of mass unemployment".

This government thinks that it is going to get away with this. It is not. There is going to come a time when the chickens are going to come home to roost.

This government has the fantastic idea that it is going to train everybody, and it is going to put them back to work. That is great. We have training programs in this country right now that are working extremely well. It is not to the credit of this government that they are working.

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order, please. I cannot hear the hon. member, and I would like to hear what he has to say. The hon. member for Renfrew—Nipissing—Pembroke.

Mr. Hopkins: Mr. Speaker, I have known you for a number of years, and I never wanted to let on that these people were bothering me at all because I do not want this group across the way to leave this House at 1.30 this morning as uninformed as they were when they came into it this morning. They have to learn something, but they are not open to learning.

Mr. Speaker, I just want to say that I knew that you would be very fair–minded and that you would come into play here and try to quiet this gang down because it is not very often I get them upset. They certainly are upset today.

The Minister for International Trade has done nothing about the softwood lumber problem in this country. There is a 15 per cent export tax in place. You are destroying one–industry towns in this country. Yet the government is going to train those people. What is it going to train them for? There is no other industry there. This is the price that people across this country paid for free trade. The government brought this in so it could get a deal, that is precisely what it did. As a result, it is creating unemployment in the lumber industry in this country.

The government is destroying one–industry towns. What it is actually saying to those people is: "We are going to train you". But the government cannot train them because there is no other job left there. What it is telling them is: "Leave your community. Leave your home that you have paid for. Move away. There is nothing there for you. Go into Toronto where you cannot afford to pay rent. Maybe you will get a place 80 miles outside Toronto". That is what is happening with this government today. There are people driving 150 miles a day to work because they cannot afford to live in the city. Are these the people that the government is going to train? Why does it not give some support to small town Canada, for example, and keep people living in places where they can afford to live?

I know I just have a few minutes left. I think that these people have not listened too well along the way. What we are seeing on the floor of the House today is the downgrading of a very important measure that was put in place to bring stability to the financial structure of federal–provincial relations in this country.

This government, in this bill, by reneging on $2.9 billion to support the fund, by reneging on the very Constitution of this country, is destroying federal–provincial financial relations. It is doing it another way. It is doing it by passing the debt on to the provinces of this country. Imagine a minister of the Crown saying: "The provinces do not have enough debt in this country. They have to share a bigger part of the burden". Imagine a minister of the Crown saying that within the last few months.

He said that after the Minister of Finance stated in August, 1984: "We are not going to cut the deficit by raising taxes. We are going to cut the deficit by cutting government programs". We know the Prime Minister's promises. We have heard them for the last number of years. The Prime Minister promised the poor Minister for International Trade that he was not going to touch

the unemployment insurance fund. That is exactly what he said.

Not only is this government destroying the financial fabric of federal-provincial relations in this country—and you can include the municipal doorsteps in that as well since that is where this problem of the unemployed is going to end up—it is also destroying trust and integrity in government. I say that because the government is making promises that it has no intention of keeping. The government just keeps on telling people what it is going to do and then turns around and does the very opposite. John Q. Public in this country will have an accurate reading of what the Prime Minister says, if he listens to him carefully, and then realizes he is going to do the opposite.

Mr. Speaker, I appreciate your patience and I want to thank you for the opportunity to try on behalf of the opposition to give the people across the way something useful to take home, instead of the prejudiced, downgrading, penny-pinching ideas that they put before this House today.

Some hon. members: Hear, hear!

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I rise in the House this evening to support the motion put forward by the government House leader.

Bill C-21 has been held up unnecessarily at the cost of the economically deprived, unemployed citizens of Canada. We must not delay this any further. I urge this House to support the motion.

Bill C-21 as presented in this motion will improve aspects which are fundamental to deal with the problem of unemployment in this country. It provides provisions for youth, provisions for training, provisions for older workers, provisions against abuse and other initiatives.

I wish to concentrate my comments on these very salient aspects which must be addressed in order to get the unemployment situation under control.

Bill C-21 does more than just change the rules, as other members have said tonight. It is an active program which provides opportunities for people to gain new and more permanent employment.

We support the minister's Labour Force Development Strategy that will be implemented by Bill C-21. Indeed, an important element in any employment strategy is to aim to train non-workers for the jobs available today and tomorrow. This is the initiative of this government. It will make a strong improvement in Canada's ability to compete in the world economy.

The Labour Force Development Strategy includes the examination of the private sector to improve the amount and quality of training which employers provide. More funds will be devoted to human resource planning skills needed by new workers, such as improved apprentice training, the industrial adjustment service and community futures.

With this money the government can work with employers, workers and communities to help them better meet the challenges of today and to predict the needs of the workplace for tomorrow. All in all, this will result in nothing less than a positive step to make Canadians more competitive in a global setting by securing permanent jobs for Canadians.

On youth, the Labour Force Development Strategy incorporates key labour market facts, and this is seen in its approach toward youth. Studies show that the demand for highly skilled workers will rise dramatically. Of all jobs created between 1986 and the year 2000 it is projected that 64 per cent will require more than 12 years of education and training. Almost half of these new jobs will require more than 17 years of education. Occupations which require lower levels of education and training will represent a declining share of employment growth. To address these facts, the government is proposing an entry-level training program. At maturity it will benefit 40,000 to 50,000 participants a year. Many of the beneficiaries will be young people making the transition from school to work occupations outside of those currently covered by apprenticeship training. For example, financial and business management, computer programming, child care, hospitality and other service sector job areas are possible candidates for this program. Furthermore, there will be extensive consultations with industry, business, labour and interest groups, prior to any decisions regarding the design of entry-level training programs.

• (0050)

Another area of concern to be addressed is the apprenticeship program. Although it is a good model for providing many necessary skills, there are problems with the present system. First, women are not getting a chance under the present arrangements. Only 3 per cent of apprentices are women and they are concentrated in

such traditional trades as hairdressing and cooking. Outside those trades, the figure is a mere 1 per cent.

Second, there is as high dropout rate of 50 per cent. These are clearly unacceptable statistics and there must be action taken to rectify the problem. Through the implementation of Bill C–21, we can address this situation. Industry, labour and provinces will be consulted to get a plan of action accepted to remedy the problems with current apprenticeship systems.

It is imperative that governments and industry work together to ensure that this large investment in skills training is relevant to today's needs and is delivered in a cost–effective and efficient manner.

With respect to older workers, the recent demographic study by Health and Welfare Canada clearly indicates that there is a definite age shift and more and more seniors are staying in the workforce. Government programs must reflect society and Bill C–21 aims to do this. Under Bill C–21, the UI protection will be extended to cover all workers, regardless of age. As other members have said tonight, it is also clear from the Charter of Rights and Freedoms that workers cannot be discriminated against on the basis of age. Furthermore, these individuals have much to contribute to business in Canada. Bill C–21 eliminates this discrimination in UI.

In addition, the newly targeted income support and training funds will provide increased training opportunities, essential to ensuring the adjustment of displaced older workers. The stable employment and long job tenure of displaced older workers means that they often have skills unique to the firms in which they have worked. The new Labour Force Development Strategy complements the program for older worker adjustment by providing additional options. UI coverage will be available to all who want to work past age 65 and we wish to encourage those who do.

I would like to turn now to the issue of abuse in the UI system. In my riding I have received complaints from many small businesses, who note the abuse of the present system. One small business owner from Wetaskiwin writes: "Possible workers would rather stay on unemployment insurance. Are these people reporting the fact that they have been offered full–time jobs at a reasonable rate of pay"?

The strategy incorporated in Bill C–21 is designed to protect unemployed workers, and at the same time strongly encourage re–entry into the workforce. There will be counselling provided to ensure the government can communicate its full range of services and programs that might be available and also on the way in which a client's special needs might be identified. It will be through better communication and more opportunities leading to brighter futures for the unemployed, that we shall be able to control abuse.

Before I conclude, I am pleased to note the initiatives this government has taken in respect to native unemployment. There has been several comments on native unemployment in this chamber. Native unemployment is a serious issue and demands attention. To this end and to ensure that program changes reflect the needs of native Canadians, the government has established a task force specifically to analyse the unemployment situation in this sector. If I may quote from their paper:

> The demands for change have evolved for a variety of reasons. Increasing numbers of young aboriginal people are reaching labour force age without the skills or training to participate. Aboriginal unemployment rates remain double that of the national average. Aboriginal skill and education levels remain much lower than the national average. Aboriginal people have the highest illiteracy rates and the lowest income levels of any group in Canada. These problems will worsen unless economic, social and human resource development policies and programs get better results.
>
> Now more than ever, it is appropriate to review employment and training programs and services for aboriginal people and explore where improvements can be made to better address their serious labour market needs and to more effectively utilize resources.

In the government's analysis of Canada's workforce, aboriginal people are clearly shown to have substantial barriers in access to the labour market and to be a largely undeveloped and underutilized component. Out of these concerns a native employment and training work group was established. The working group consists of aboriginal representatives from six national aboriginal organizations and from all regions of Canada.

Mr. Speaker, I would like to list very quickly some of the representatives. The organizations represented include the Métis National Council, the Union of Ontario Indian Chiefs, Assembly of First Nations, the Métis National Council, Inuit Tapirisat of Canada, Native Women's Association of Canada, Native Council of Canada, National Association of Friendship Centres, Inuvialuit Regional Corporation, Council for Yukon

Indians, Native Employment Advisory Committee, First Nations Technical Institute. Some of the individuals involved were Ray Ahenakew from the Meadow Lake Tribal Council; Richard Arcan, Yellowhead Tribal Council; representatives from St. Thomas University; from the University of Manitoba, Raoul McKay; and Germain Paul from the Native Training Institute of Quebec.

Their first meeting was held last month. I am happy to say that the program has begun positively and with definite practical direction. I welcome this initiative by the Minister of Employment and Immigration.

To conclude, I feel strongly that it is imperative that this motion must be passed. We can no longer deprive Canadians who are presently in the unfortunate position of unemployment from these fundamental steps to secure futures that are offered in Bill C–21. As Maureen Baker stated in her report:

> Planning for the future must take into consideration changing trends in education, family formation, labour force participation, and ideology, as well as demography.

Bill C–21 has considered all of the above. I strongly urge once again its support in this House.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I am very pleased to speak tonight. I suppose I am going to be the last speaker on Bill C–21.

During my five years in Parliament under both Liberal and Conservative governments I can honestly say that the convergence of opinion generated by Bill C–21 and much of the other legislation that this government has been putting forward has been really creating hardships and divisions across my riding and across Canada. The kinds of divisions that we are seeing are very unfortunate.

It is unfortunate that the government would change programs that have been established for many, many years and have served the people in the best interests across all parts of Canada, especially in areas such as mine where we have regional disparities. There was a lay–off in my riding less than a month ago which involved 800 employees. We are trying to get these people employed. Yet at the same time as we are doing that, the government is bringing in Bill C–21, an act to amend the Unemployment Insurance Act.

The government is also attempting to introduce its GST bill which will impose extra taxation on people.

We have a government that has no care for what it is doing. It has a mandate. It says that it has an agenda. I want to say to the people of my riding and to the people of Canada that it has an agenda to destroy the very fabric that we have put together across Canada. It is time we put a stop to it. We have had enough.

Some hon. members: Time!

Mr. Parker: Never mind the time. I will take the time. The Speaker will make the decision about the time, not the members of the government. I know you do not want to hear what I have to say.

I want to speak for a few moments, if I may, Mr. Speaker, about the British Columbia perspective.

• (0100)

An independent analysis of the impact of changes to the UI system on the province of British Columbia was undertaken by Global Economics earlier this year. Their findings confirm the worst fears of the province of British Columbia.

Global estimates that 16,200 workers in the province, who would be eligible under the existing guidelines, will not qualify for benefits when the new legislation takes effect. A further 89,400 British Columbians will see a decrease in their benefits after January 1. What type of people are we talking about?

According to an analyst, 82 per cent of the people affected will earn less than $25,000 a year. This will clearly—

Some hon. members: Shame.

The Acting Speaker (Mr. Paproski): Order, please. I would like to advise the House that the hon. member has 20 minutes.

Mr. Gauthier: I rise on a point of order, Mr. Speaker. I would just like to make sure that the 20 minutes you alluded to will be starting at 12.55 p.m. therefore, there are 15 minutes left.

The Acting Speaker (Mr. Paproski): There are 15 minutes left.

Mr. Parker: Thank you, Mr. Speaker.

This will clearly impact disproportionately on women who continue to earn much less than men, unskilled workers, service sector workers who continue to be the fastest growing segment of the labour force, seasonal workers and young families. The existing economic base of the East Kootenay makes it a particularly vulnerable region *vis-à-vis* the introduction of Bill C-21.

There are four factors that back up the claim. Over 11 per cent of the workforce is engaged in seasonal occupations in the forestry and tourist industries. The economy of the region is resource based and is thus vulnerable to major fluctuations in unemployment. Structural unemployment in the region is high relative to many other regions regardless of the peaks and valleys associated with resource based economies.

The employment rate has seldom fallen below 10 per cent. The best prospects for future economic development lay in the continued development of the tourist industry, an economic sector that emphasizes seasonal and service jobs. It is unlikely that the economic assumptions in the East Kootenays will change in the foreseeable future.

As I have mentioned, 800 workers who have worked continuously in the mines in the East Kootenays have lost their jobs. It is a direct result of the free trade agreement. Whether anyone will admit it the fact remains that Cominco is the main mining company there. It is taking the ore from the Red Dog Mine in Alaska down the west coast of British Columbia on a barge and unloading it at the North Vancouver shore with a $22 million federal-provincial subsidy to help rebuild the facilities on the north shore. Then, according to the reports, it is going to be loaded onto an American railway and transported down through the American states and up into Trail, British Columbia. Those are the kinds of policies that the government is adopting.

Is it any wonder the people of Canada are upset? Is it any wonder that the people in my riding are upset and want some help, and that we have asked for that help and are receiving nothing? To hear the back-benchers talk about the training policies, I want to ask those members and the government: How are you going to train these 800 workers, get them back into positions and save that one industry town? A one industry town depends very much on that mine, yet there is no action taken to assist them.

During my first term as a member of Parliament, I attended an economic meeting in Paris with a Canadian delegation. I want to tell you that they have some initiative programs that have come about. They have suggested the possibility of what is done in other countries. When someone becomes unemployed, they have a program that is proven to be 65 per cent effective whereby, if the member or the applicant can qualify, he can receive his full amount of unemployment insurance invested in a business. The government will supply them a loan to match that business. They have found that those businesses in which they have participated have had a 65 per cent success rate.

These are the kind of policies we should be talking about. These are the kind of programs that we could bring about to bring some good jobs and some initiative to help people out.

In Preston there is a small apple packing group where people come together to pack apples in the fall. Their normal work time was from October to the end of November. I attended a meeting in Preston. These people were laid off and they were not able to pack apples. When I checked into why they were unable to pack their apples, it was because they found that the American apples were coming across the border at $1 a box less than our Canadian apples. The free trade agreement had created this sort of problem for our people in the West Kootenays. Bill C-21 is not going to address the problems that these people have.

This bill should be scrapped. It should be scrapped now and we should be getting on with trying to bring about some legislation that will help people and not take away from them.

The government has a responsibility to participate in the unemployment insurance program along with the workers and the employers and that is the kind of system that we have been used to. The labour organizations are saying so, small businesses are saying so, and the people of Canada are saying so. The only one saying no is the government, and it is time the government changed its policies.

It is unfortunate that the government is creating the kind of animosity that it is creating across Canada. I represent 14 different small municipal areas and, as I travel throughout my riding, they contact me on a daily basis complaining about this government and what it is doing to them. They complain that they are being called racist. They complain that they are being called uncaring. They complain that they are not given any opportunities

for input on what the government is doing. I want to say to the government that it had better start listening to the people of Canada. The people of Canada want some say on the kind of changes that are taking place.

When I see the Deputy Prime Minister on television talking about the agenda that the government has laid down, I think it is time that the government started to let the people know about the hidden agenda that this government has. We have an attack on our social programs. First, we had the clawback on our old age pensions. Now we have the Unemployment Insurance Act being taken away from us. We have a goods and services tax that it is trying to implement across Canada, against the wishes of over 80 per cent of the people of Canada. Yet it continues to push forward with its agenda. I want to say that the people of Canada do not want that agenda. They want some changes and they want those changes to take place now.

• (0110)

Another concern regarding Bill C–21 is that the federal government will no longer contribute to the unemployment insurance system. Unemployment insurance is no longer a standing basic component of the social welfare system throughout the western world. Bill C–21 has in fact privatized the cornerstone of Canada's social welfare system, a move which has many Canadians asking what next. If the government will no longer contribute to UI, is it not reasonable to wonder if health insurance or pensions are next?

The government is also adding to the costs for businesses. While corporate Canada may be in the position to absorb this direct increase in production costs, the burden on smaller-sized businesses will be relatively greater. Bill C–21 serves as an indirect tax on the average worker who will help pay for the government's former share of the program.

With regard to Bill C–21 and deficit reduction, under Bill C–21 the federal government will no longer contribute to the program, as we have already discussed. This increases the burden on the worker and employer. The worker already faces large tax increases and will lose more purchasing power and this will impact negatively on the local business. For the employer, increases in UI premiums will add to the cost of production, which will in turn add to the price of the goods. This will also have a negative effect on the purchasing power throughout society and with the corresponding impact on local businesses. The point being made is that this cycle is brought on by the reduction. The government's getting out of the program undermines the defaced reduction objective of the government in the same manner as the high interest rates and taxes.

In closing, as my colleague from Kootenay West identified very clearly, the government is not prepared to talk to people, organized labour, businesses or the opposition. For goodness sake, get into your caucus and talk to each other and bring about some sense of what you are doing to the people of Canada.

The Acting Speaker (Mr. Paproski): In accordance with the provisions of Standing Order 57, at this time it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the motion in relation to the amendments made by the Senate to Bill C–21 now before the House.

Accordingly, the question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 199*)

YEAS

Members

Allmand	Arseneault
Baker	Bellemare
Bevilacqua	Campbell (South West Nova)
Catterall	Comuzzi
Crawford	Dingwall

Ferguson
Foster
Gauthier
Guarnieri
Harvard
Jordan
Kilger (Stormont—Dundas)
Lee
Maheu
McGuire
Milliken
Nault
Phinney
Rideout
Speller
Vanclief
Walker
Finestone
Gaffney
Gray (Windsor West)
Harb
Hopkins
Keyes
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
Mifflin
Mills
Pagtakhan
Pickard
Robichaud
Tobin
Volpe
Wood—44

NAYS

Members

Althouse
Andre
Attewell
Beatty
Bernier
Bird
Black
Blaikie
Blenkarn
Bouchard (Lac-Saint-Jean)
Brewin
Browes
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cook
Corbeil
Côté
Crosbie (St. John's West)
Danis
DeBlois
de Jong
Domm
Duplessis
Epp
Fisher
Fretz
Gardiner
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hudon
Hunter
Jelinek
Kempling
Kristiansen
Langlois
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mazankowski
McDermid
McKnight
Merrithew
Moore
Nicholson
O'Kurley
Plourde
Redway
Reimer
Richardson
Rodriguez
Saint-Julien
Scott (Victoria—Haliburton)
Skelly (North Island—Powell River)
Soetens
Stupich
Taylor
Thacker
Tremblay (Rosemont)
Van de Walle
Venne
Vien
Whittaker
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—148
Ricard
Robitaille
Roy-Arcelin
Schneider
Shields
Skelly (Comox—Alberni)
Sparrow
Tardif
Tétreault
Thorkelson
Tremblay (Québec-Est)
Vankoughnet
Vézina
White
Wilbee
Winegard

• (0130)

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

Mr. Murphy: Mr. Speaker, it is evident that a number of members of Parliament did not get here because of the five-minute bell. Normally it is a fifteen-minute bell, and I understand why members could not be here.

I think it would have been courteous if the two Chief Whips had given notice that that was their intent. However, that being the case, I really object when the Minister of National Revenue came in after the voting had started and still voted. He has not that right. I wish he would get up as a man of honour and denounce and retract his vote.

Other members who were denied the vote because of the five-minute rush stayed outside and waited until the vote was finished.

The Minister of National Revenue knew the vote had started. He came into the House and deliberately disobeyed the rules of the House and voted. He should retract that vote now.

Some hon. members: Hear, hear!

Mr. Flis: Mr. Speaker, because the bells were cut short I was denied the right to vote. However, I know that this can be done according to our Standing Orders. I just request that my vote be recorded with my party.

Mr. Proud: Mr. Speaker, I rise on the same point. I too was caught when the bells were cut short. I was not here. Had I been here I would have voted for the amendment.

Mr. Heap: Mr. Speaker, I regret that the Whips chose to cut the bells short without notice. Had I been allowed to be here, I would have voted with my caucus.

Mr. Benjamin: Mr. Speaker, since the practice is that only two Whips walk in and no notice is given to other parties, I want to record that I would have voted with my colleagues on this motion.

Some hon. members: Oh, oh!

Mr. Benjamin: I suggest that the—

The Acting Speaker (Mr. Paproski): The hon. Minister of National Revenue.

Mr. Jelinek: Mr. Speaker, since my name was brought up I want to tell you that I was not aware that the Speaker had begun the roll call. Had I known, I naturally would not have participated in the vote.

Mr. Robinson: Mr. Speaker, I too was in my office and was watching the television proceedings of the vote.

Some hon. members: Oh, oh!

Mr. Robinson: Mr. Speaker, I want to draw to the attention—

Some hon. members: Order!

The Acting Speaker (Mr. Paproski): The hon. member for Burnaby—Kingsway.

Mr. Robinson: Mr. Speaker—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Paproski): I can hear the hon. member if he will just go ahead with his point of order.

Mr. Robinson: Mr. Speaker—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Paproski): We might as well stay here until two o'clock and have Question Period. The hon. member for Burnaby—Kingsway has the floor.

Mr. Robinson: Mr. Speaker, I did want to draw to the attention of the Chair a problem for members who were in their offices watching the proceedings of the vote. There was an indication that the vote would in fact be 15 minutes. The television proceedings did indicate that the vote would be 15 minutes, and I did want to draw that to the attention of members of this House.

Had I been here, Mr. Speaker, I would certainly have voted with my caucus against the amendment.

Mr. Gauthier: Mr. Speaker, I should like to remind members that the indication on the television sets is the maximum time for bells, not the minimum time.

Having said that, I think Your Honour will find a disposition, now that we have heard all the members who were late and missed the vote, to apply the next vote in reverse.

I take it the NDP will vote again with the government.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, that proposal is not acceptable to the New Democratic Party. It is only appropriate that we have the opportunity to vote against this heinous legislation tonight.

The Acting Speaker (Mr. Paproski): Therefore the question is on the main motion.

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

(Division No. 200)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Chadwick	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Cook
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Danis
Darling	DeBlois
de Cotret	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Ferland
Fontaine	Fretz
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
Jacques	Jelinek
Johnson	Kempling
Koury	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Masse
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	McLean
Merrithew	Monteith
Moore	Nicholson

O'Kurley
Porter
Reid
Ricard
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Soetens
Tardif
Thacker
Tremblay (Rosemont)
Van de Walle
Venne
Vien
Wilbee
Assiniboia)
Winegard
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sparrow
Tétreault
Thorkelson
Tremblay (Québec-Est)
Vankoughnet
Vézina
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—125

NAYS

Members

Allmand
Arseneault
Baker
Benjamin
Black
Brewin
Campbell (South West Nova)
Comuzzi
de Jong
Ferguson
Fisher
Foster
Funk
Gardiner
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Bevilacqua
Blaikie
Butland
Catterall
Crawford
Dingwall
Finestone
Flis
Fulton
Gaffney
Gauthier
Gray (Windsor West)
Guarnieri
Harvard
Hopkins
Hunter
Keyes
Kristiansen
Laporte
Lee
Maheu
McGuire
Milliken
Murphy
Nystrom
Parker
Pickard
Rideout
Robinson
Skelly (North Island—Powell River)
Speller
Taylor
Vanclief
Walker
Wood—75
Grey (Beaver River)
Harb
Heap
Hovdebo
Jordan
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Marleau
Mifflin
Mills
Nault
Pagtakhan
Phinney
Proud
Robichaud
Rodriguez
Skelly (Comox—Alberni)
Stupich
Tobin
Volpe
Whittaker

The Acting Speaker (Mr. Paproski): I declare the motion carried.

It being 1.46 a.m., this House stands adjourned until later this day at two o'clock, pursuant to Standing Order 24(1).

The House adjourned at 1.46 a.m.

HOUSE OF COMMONS

Wednesday, March 14, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

LITHUANIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on Monday, March 12, in this House we passed a resolution which was enthusiastically supported by all three parties, recognizing the Republic of Lithuania as an independent sovereign state.

Although the initial reaction from the Soviet Union was cautious and somewhat negative, I am sure that Canada and other members of the international community had hoped that the democratically arrived at decision for independence would eventually be respected by the Supreme Soviet. Unfortunately, within less than 24 hours of the passing of our resolution, President Gorbachev stated unequivocally that he considers the declaration of independence by Lithuania illegitimate and invalid.

I want to urge the Prime Minister of Canada to convey to the Soviet Union, either directly or within an international forum, that we are shocked at this turn of events and that we would hope, in keeping with the spirit of the democratization of eastern Europe, that President Gorbachev will demonstrate his commitment to *perestroika* and *glasnost* by respecting the will of the people of Lithuania.

* * *

NATIONAL GALLERY

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, many Canadians from coast to coast were angered and annoyed to learn that the National Gallery of Canada recently paid $1.8 million for an American painting by Barnett Newman. This painting may well be a fine piece of art. However, such a lavish expenditure in a time of restraint does not make much sense.

Canadians called for deficit reduction. The government responded by bringing down a tough but fair budget, and now the National Gallery shows no regard for prudent spending by laying out $1.8 million on one painting.

I call on the House of Commons Standing Committee on Communications and Culture to have officials of the National Gallery appear before the committee to explain the reasons behind this preposterous expenditure of taxpayers' money. Canadians have a right to know.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the crisis in agriculture is escalating. Saskatchewan's grain industry has called for an immediate $500 million federal government payment just to get the seed in the ground this spring. Without the federal government's commitment to compensate for recent droughts and low grain prices, an even greater number of farmers will be forced from the land this year.

The international grain war is continuing and our government has an obligation to support our farmers, our troops in that war, a war where the Europeans and Americans are unfairly forcing down the price in the world market-place.

In this fierce international war, the government opposite is doing something it would never do in any other battle. With cutbacks in agriculture programs and its lack of commitment to ongoing support programs, this government is disarming our troops and the industry is dying.

Saskatchewan farmers need that $500 million payment now. The Minister of Agriculture has an obligation to provide it now.

S. O. 31

[*Translation*]

DEMOCRATIC PROCESS IN HAITI

Ms. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, on January 20, after a number of undemocratic measures had been taken by the Haitian government, I expressed my concern about the fate of the democratic process in that country.

For four years, a people, proud of its history as the first free Black nation in the world, has been trying to find its way back to democracy. A country that produced men like Toussaint Louverture, Dessalines and Pétion, created the Panamerican concept, took part in the American Revolutionary war at Savannah and helped Simon Bolivar liberate Venezuela, can look forward to more such inspiring pages in its history.

Canada, as a friend of Haiti, must support its desire to "live free or die", the motto of all its heroes.

I wish the new president good luck, and I want to ask my government to help Haiti in every respect, both politically and economically, so that it can once again join the ranks of free and democratic nations.

* * *

GOODS AND SERVICES TAX

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, considering that the goods and services tax is the harshest tax scheme in our history; that it is the most controversial tax ever imposed on Canadians; that it contains many regressive elements that will affect needy Canadians and the working middle-class; and that the Conservatives have a majority in this House, it is therefore resolved that only the Canadian people can make this government change its mind. You can help by calling 1-900-720-6052 or 6051, before midnight Friday evening. This is an appeal for fiscal justice!

* * *

[*English*]

NOVA SCOTIA BARRISTERS SOCIETY

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I am shaken by the news today concerning the women's issues critic of the Liberal party who is also the national policy co-chair for the Liberal convention. The Nova Scotia Barristers Society has found the member guilty of four counts of professional misconduct, three involving the handling—

Mr. Speaker: We really must not use statements as a personal attack on any member here. There may be another place to raise it, but it would not be appropriate to do it here.

* * *

NATIONAL GALLERY

Mr. Stan Wilbee (Delta): Mr. Speaker, the National Gallery has purchased an American painting for $1.8 million, which could have been produced in this country by any design or graphic artist for under $200.

The people of Delta have requested that their objection be added to those of the speakers yesterday and today, denouncing this purchase in this time of restraint. If the money was to be spent, it makes a lot more sense to support our Canadian artists.

I am asking the National Gallery to cancel the purchase now, to demonstrate to all Canadians that common sense will prevail in this country.

* * *

[*Translation*]

ACID RAIN

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, in February 1985, Canada launched an all-out offensive against acid rain in order to achieve a 50 per cent reduction in emissions produced in Eastern Canada by 1994. The result: emissions have already dropped by nearly 40 per cent.

Thanks to the perseverance and hard work of our Prime Minister in his meeting with U.S. government officials, our representations aimed at achieving a 50 per cent reduction in transboundary emissions affecting Eastern Canada have been successful.

Last June, President Bush introduced a legislative measure to that effect. More recently, after satisfactory negotiations, the United States said it was prepared to ratify this measure.

It is the most positive initiative ever taken by a U.S. administration in this area in more than ten years, and it was largely instigated by Canada.

Mr. Speaker, implementation of the U.S. initiative, combined with the Canadian plan, will make it possible to reverse the acidification process, and we will have a cleaner and healthier environment.

* * *

• (1410)

[*English*]

ENERGY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I want to set the record straight on statements made last week by the Minister of Energy, Mines and Resources.

On March 7, I asked the minister about a $246 million cut in alternative energy and conservation found in this year's Estimates. The following day during Question Period the minister told this House that the figures I used the day before were incorrect, that I was wrong to use that figure. In addition, he suggested I would find the correct figures in the Estimates.

As I told the House on March 8, our research was very thorough and, indeed, it was not in error. In fact, page 31 of the Estimates supports the figure, $246 million, that I quoted. The error, therefore, lies within the Estimates themselves and not with our research.

* * *

CORPORATE TAXATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the nominees for this week's corporate welfare bum are: Alcan Aluminum Limited. Alcan paid only $39 million in income taxes after registering a net income of $433 million in 1987. In 1986 Alcan received a $6 million tax credit on a net income of $270 million.

The second nominee is Power Corporation. It received an income tax credit of $2.1 million in 1988 and paid only $2.6 million in taxes in 1987. Its total net income from the two years is close to $400 million.

The third nominee is Gulf Resources which recovered $18 million in income taxes in 1988 and $29 million in 1987 after a net income totalling over $100 million in the two years.

The envelope, please. The winner is Gulf Resources. The Reichmann brothers plan to sell Consumers' Gas to British Gas and get all sorts of tax benefits from companies like Gulf Resources to finance their real estate development in London and Moscow. Actions like that have earned Gulf Resources the corporate welfare bum of the week award.

* * *

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, with today's announcement that the GST will cost an estimated $1.4 billion to implement, I have to say that this thing is getting out of hand. The government has made several miscalculations as to how much the GST is going to cost Canadians. One day the government adds $300 million to the cost then, "Whoops, sorry folks, we miscalculated, add another $300 million to that bill".

Miscalculations of this kind have spurred Canadians into writing or calling their MPs to express their outrage. You may ask just how outraged Canadians are? To give you an idea, Mr. Speaker, the 900 number we set up so Canadians can electronically petition against the GST has been so busy that we have had to add another phone call.

Now Canadians can call either 1-900-720-6052 or 1-900-720-6051, 24 hours a day until March 16. In case you missed it, I will repeat the number: Call 1-900-720-6052 or 1-900-720-6051 to add your vote to the 40,000 Canadians who have already called to oppose the GST.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, when a boatload of 173 Sikhs and one Sri Lankan came ashore at Nova Scotia in 1987 claiming refugee status, this government went into a frenzy of fear mongering. It talked about an invasion, kept the refugees incognito and hinted that they might be terrorists. The government even blew 12 million tax dollars sending the navy and air force to scour our coast for another boat that was tied up empty near England. The refugees' pictures were sent to the Indian government asking if they were terrorists. The government succeeded in raising such fear of these dark-skinned people that Parliament was recalled to pass anti-refugee legislation.

Well, the dark-skinned people were not terrorists. Canada's refugee board on Monday ruled, after 18 months, that two of them are refugees because sending their pictures to India so embarrassed that government as to put them in danger.

I call on the Minister of Employment and Immigration to land the rest of that boatload immediately and stop this time wasting horse play that slanders refugees and embitters race relations in Canada.

ORAL QUESTION PERIOD

[*English*]

SCIENCE AND TECHNOLOGY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. You will recall that three months ago his government allowed the takeover of Connaught BioSciences, one of Canada's premier high technology companies, by Institut Mérieux, a company controlled by the French government.

I have with me a document released by Investment Canada summarizing the undertakings that Institut Mérieux gave to the government as a condition of the government allowing its acquisition of Connaught Bio Sciences.

In the document Mérieux undertook to "submit within six months a medium-term operating plan and a longer term strategic plan for government advice and input".

Has the government received these plans?

[*Translation*]

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I obtained the information. I was also informed of the decision taken by the company. The information we have suggests that the owners of Mérieux will fill the positions that were occupied by Canadians with Canadians and thus respect the company's commitments.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister did not answer my clear and direct question. Has he received the plans which Institut Mérieux promised the government?

Mr. Speaker, if he did not receive these plans, how can the minister assure this House that the key positions in this company which is vital to our science and technology will be held by Canadians?

[*English*]

If the government does not have the operating plan from Institut Mérieux, how can we be sure that Mérieux will live up to its undertaking to the government, and I quote from the Investment Canada document, that Connaught will "retain a strong Canadian identity"? Or is the government simply going to lie down as it has on every issue of Canadian ownership and identity since it has been in power?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I think I answered that question before and I will repeat what I said.

I said that the guarantee which has been given by the company is that all, or at least most, of the jobs which have been touched by the decision will be filled again by Canadians. In any event, we have the power to enforce that decision and, of course, we will look very carefully at exactly the way the company will work.

If there is any necessity, I will intervene through Investment Canada.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I listened carefully to the minister's answer. All he could say was he had an indication that Mérieux will fill the top Canadian management positions, all or most of them, with Canadians.

How can Institut Mérieux carry out its undertaking that the company will retain a strong Canadian identity if there is a lower Canadian level of top management after it fills the posts from which it has fired the Canadian led management?

How can the minister be sure of that if all the company is saying is that all or most of the positions will be filled by Canadians? How can he state this with any assurance, if the government has not been able to get Mérieux, three months after it took over Connaught, to fulfil its undertaking to give the government its plans for this key Canadian high technology firm?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I will repeat what I said. I said that we have the capacity to enforce the decision

which has been made. When Investment Canada considered the proposal by Mérieux, it considered all benefits that Canada could get.

I assure the House and the hon. Leader of the Opposition that everything will be done to ensure that the commitments which have been made by Connaught are respected. We have the authority and we will exert the authority to do that.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Deputy Prime Minister who is also the political minister for Alberta.

The Premier of Alberta has said that the province will go ahead with construction of the Oldman River dam despite the decision of the Federal Court of Appeal quashing the federal construction permit for the dam and ordering a full environmental assessment of the project.

• (1420)

Has the government sought an injunction or taken any other action to ensure construction of the dam is stopped now so the required environmental assessment can take place?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, based on very preliminary information, this decision of the Federal Court of Appeal appears to have very far–reaching implications. It must be considered very seriously. We think that it must be reviewed very carefully. I will certainly have to discuss this with my colleagues in the cabinet.

As a matter of fact, there will be an interdepartmental meeting at the end of the day with officials of Environment Canada, Justice Canada, Fisheries and Oceans and Transport Canada. The government will look very carefully at the situation and the judgment and will abide with all its obligations.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the order of the court was absolutely clear. It took less than that amount of paper.

My supplementary question is for the Prime Minister. The decision of the court shows absolutely that not one but four ministers knew before construction started the environmental risks of diversion, flooding, sedimentation, toxic spills, mercury contamination, the use of explosives, the destruction of fish habitats and damage to an Indian band and its reserve lands, and they refused to carry out their responsibilities to conduct environmental impact assessments.

Has the Prime Minister directed his minister, in the strongest possible terms, to immediately begin those environmental assessments that are required under the act of this government?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, it is nice to show indignation today, but the member should remind the House that the licence was issued in 1987, before the delivery of the first Rafferty–Alameda judgment, at a time when it was felt all over the country, by Justice and all people, that the environmental assessment could be delegated to the provinces.

In those times we did not know what we know now. The courts have been very active on the environmental assessment sector. Now we know more and we have to live with the effects of this, but we must do it in a very reasonable manner.

This is not a case to use scare tactics or play partisan politics. This is very serious. It deals with the very fundamental policy of assessment of environmental impacts before any project is begun.

As the House knows, we are very actively working on the drafting of a very important piece of legislation on assessment. The country is certainly expecting this government to be serious, and responsible and to take the time required to make the right decision.

Mr. Jim Fulton (Skeena): Mr. Speaker, my first question is for the Minister of Transport. Yesterday the Federal Court of Appeal unanimously quashed the 1987 approval of the Minister of Transport—not the Minister of the Environment, the Minister of Transport—which gave Alberta permission to construct the Oldman River Dam.

Since construction of any dam in Canada, whether it is in Saskatchewan, Alberta or Quebec, requires approval under the Navigable Waters Protection Act for which the Minister of Transport alone is responsible, and since the approval yesterday was removed by the courts, will the minister invoke today, along with his cabinet colleagues, Section 12 of the Navigable Waters Protection Act, terminating the work at site so that a fair and achievable

environmental impact assessment and review can take place without more damage being done on the site?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, as my hon. friend, the Minister of the Environment, indicated, the government is reviewing the implications of this judgment. They are far-reaching and we think that we should move after consideration of all the implications and not in haste.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Prime Minister, who understands full well what the spirit of the law and what the spirit of the ruling by the Federal Court of Appeal was yesterday.

In order to have a proper environmental assessment and review, the construction at the site must stop. We would have hoped that Premier Getty would have realized that yesterday.

Since Section 12 of the Navigable Waters Protection Act makes it very clear that the Governor in Council, the cabinet, can invoke that section to terminate the work at the site, in the spirit of a very important landmark environmental ruling of yesterday, will the Prime Minister take this to cabinet today and make use of Section 12 of the act to halt the work at the site?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this is a judgement rendered yesterday by a very important court in our country, a little over 24 hours ago. The opposition would like the government to make a hasty, ill-considered decision, while we are dealing with something fundamental for the future of environmental assessments in this country. This government intends to fulfil all its responsibilities, including the responsibility to make a reasonable decision in the light of the advice given by its legal advisers.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is also for the Prime Minister. Canadians know you cannot drive a car unless you get a licence; you cannot build a house unless you get a permit; you cannot build a dam on any river in Canada unless you have an approval.

The Federal Court of Appeal has unanimously struck down the approval to build that dam on the Oldman in Alberta. It affects federal jurisdiction.

Will the Prime Minister rise in his place and stand up for the spirit of the law in this country and say it applies in Alberta, just like it does in Saskatchewan, just like it does in Quebec, and halt it so that we can find out what the impact on the environment really is?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, Canada is a leader on this issue. We are the most advanced country when it comes to environmental assessments. And now, in this very advanced country which we are, a decision has been rendered in a brand-new area; this judgement has created an extremely important legal precedent. It is most important, a little more than 24 hours after the judgement was rendered, to take the time required so that the decision will comply with environmental obligations and give due consideration to the consequences, because preliminary analyses suggest that this judgement will affect not only this project but all projects, whatever they are, throughout the country.

Caution, reflection and responsibility are therefore in order.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is also for the Minister of the Environment. Manitoba Hydro, right now, is beginning an environmental assessment process on the proposed Conawapa hydroelectric dam. This dam will likely be the biggest dam in the Manitoba region.

What strategy is the minister following to ensure the protection of the Manitoba environment? Will he be dragged through the courts again, as he was with the Rafferty-Alameda dam and the Oldman River dam project, or has he learned his lesson? Will he save Manitobans time, money and aggravation by immediately setting up an environmental assessment, as called for under the guidelines order?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I think that the member should recognize that this government, in every circumstance, has assumed its responsibility to comply with the requirements of the federal guidelines. We do that all the time.

The main problem we have is that the judgment which we have spoken about a few minutes ago concerns something actually in the process of being built. This is a transition problem which is very complex. We must admit that. But, in the case of new projects, it is very simple as of now. We will apply EARP in any situation.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, if the minister is going to commit himself to an EARP process, can he now tell us that he has in fact set up an expert panel, that open hearings are going to be set up, that he has developed a program, and that he is going to announce this in public, or are we going to wait and are we going to end up in the courts again? Will the minister please tell us exactly what he intends to do?

• (1430)

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I do not blame the member, but it appears that he should know more about the process. This process has two steps. The first step is the initial impact assessment and then, in the light of the conclusions of the initial assessment, the proponent minister has to make a decision as to whether or not he will need a full panel review.

We will apply the full process, but beginning with the first step, and then the decision will be made accordingly.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Finance. In August 1989, when the technical paper on the GST was released, the Minister of Finance estimated that administration costs would be about $200 million. In the last Budget, in February 1990, the cost was estimated at $260 million. Yesterday, his colleague, the Minister of National Revenue, said before the Finance Committee that it would cost $300 million. Will the Minister of Finance, tell the House once and for all how much this administrative nightmare is going to cost?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, since some statements were attributed to me yesterday, the hon. member will know that many of the headlines in the papers today about $670 million, $1.4 billion and $1.1 billion are incorrect, if not mischievous.

The fact of the matter is that the estimates which came out not too many weeks ago stated quite clearly that the cost this year was going to be $110 million. During the transition period, it will be $260 million up to $365 per year, and when the tax becomes mature, it will be at $300 million per year.

Let me point out to the member that this is one of the lowest costs for collecting this sort of tax in the whole world. In fact, it will cost approximately 1.5 cents for every dollar collected, which is far better than any other country in the industrialized world because of the efficient systems, because of the innovative methods and because of the technology that we will be using to administer the GST.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I did not refer to a newspaper but to an official document.

From $200 million to $300 million is $100 million more, and that is a lot of money for Canadians.

[*Translation*]

Mr. Speaker, I have a brochure that was sent to 1.2 million Canadians and small businesses. On page 8, for instance, it says that the GST is due on the date the tax is paid, while in the legislation it is the other way around. My question for the Minister of Finance is: Why does he keep spending millions of dollars to confuse Canadians, since this brochure for small business costs in the millions? Does he realize that the example given on page 8 of the brochure does not say exactly what it says in the bill?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure I understand the specific question that the hon. member is asking.

There are differences, I will acknowledge, between the amounts that were put in the technical paper and the amounts that were put in the December 19 paper. That represents the result of further work that has been done on the part of the government in deciding precisely what the administration costs would be. As my colleague, the Minister of Revenue has pointed out, the cost to collect this tax on an on-going basis will be 1.5 cents for every dollar of tax. That represents a very efficient system of tax collection.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of National Revenue.

Yesterday, at the finance committee the minister informed the people of this country that he has now recruited the banks and the financial institutions to help collect the GST. Yesterday, before the finance committee he could not tell us how much the banks would be getting to help collect the GST.

I wonder if the minister has done his homework today, and can he confirm to the House that the government has made a deal with the banks that every time a business makes a deposit to collect the GST, the banks will be paid a service charge of $1 per deposit on each and every single deposit that businesses make at the banks of this country. Can he confirm that today in the House?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I cannot believe that this experienced member is as misinformed as he is today, and yesterday. He should know, as most hon. members are aware, that Canadians today are utilizing for efficiency's sake and for convenience banking institutions to pay through the banks to the federal government, whether it is CPP payments, the current federal sales tax—

Mr. MacKay: Ontario Hydro.

Mr. Crosbie: Newfoundland Light and Power, Newfoundland Telephone.

Mr. Jelinek: —various provincial payments, unemployment insurance—

Mr. Rodriguez: How much?

Mr. Jelinek: I would like to know if the New Democratic Party is suggesting that we not use the banking and financial institutions and make the system more complex for small business. Is that what they are saying?

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the minister did not answer the question. The answer is $1 per deposit made by businesses for every deposit in a bank.

In the first ten months of this fiscal year, before the GST is even in effect, Canadians businesses made some 6.5 million deposits in Canadian banks on their taxes. Can the minister tell us now how many more millions of dollars taxpayers will have to fork out to the banks in service charges when a business makes a deposit at a bank when the bank helps to collect the GST? Will it be an extra $15 million, an extra $20 million, or an extra $30 million? How much more will the banks get in service charges to help collect the GST from the taxpayers of the country?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member is barking up the wrong tree. To be specific to his particular question, the Department of Supply and Services is currently negotiating with the banks in regard to the GST.

The fact of the matter is, and I repeat what I have said in my first answer, that this is asked for by the business community.

Mr. Rodriguez: That's not the question. How much?

Mr. Jelinek: This is asked for by the small business community. This is a request on behalf of the small business people across Canada, and it is for sake of convenience, efficiency and saving tax dollars both to business and government. That is the answer.

* * *

FREE TRADE AGREEMENT

Mr. John Reimer (Kitchener): Mr. Speaker, my question is directed to the Minister for International Trade. In last week's U.S. *Business Week* magazine, the Ontario government spent close to $500,000 for an advertisement to explain why Americans should invest in Ontario. One of the key Ontario advantages, as explained by the Premier of Ontario, is the Canada–United States Free Trade Agreement.

In this week's U.S. *Business Week* magazine, the Ontario government again advertises the advantage of investing and locating in Ontario. Among other things, there is the free trade agreement and lower comparative wage rates and benefits.

How did the Minister for International Trade succeed in bringing Ontario onside and in total agreement with the free trade agreement, and what long-term benefits does he foresee, not just for Ontario, but also Canada, now that we have Ontario's wholehearted support for the free trade agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is correct. There is an eight-page advertisement which states:

> In the tough new world of the '90s, it isn't enough to survive. You want to succeed.

Right by Premier Peterson's red tie, it states:

> The Ontario advantage
>
> Under the Free Trade Agreement, most goods move between Ontario and the U.S. without tariffs.

Mr. Speaker: I know the hon. minister would only want to read from the advertisement and not display it. I would ask him to co-operate.

Mr. Crosbie: Well, I certainly do not want to embarrass the hon. gentlemen opposite, but the advantage of Ontario is that most goods move between Ontario and the U.S. without tariffs under the free trade agreement. That is the purport of this eight-page, $500,000 advertisement, paid for by Ontario taxpayers, boosting the free trade agreement between Canada and the United States.

Some Hon. Members: Hear, hear!

Mr. Crosbie: As to the reasons for the Premier's conversion, apart from my own persuasive powers, yesterday there was a Japanese report, a glowing report, from the Ministry of International Trade and Industry on the attractions of investment in Canada under the Canada-U.S. Free Trade Agreement. Perhaps he was given an early copy of that report. The report paints Canada as a country of new found importance for Japanese companies planning a continental strategy. For all of these reasons Premier Peterson has had a $500,000 conversion.

• (1440)

Some Hon. Members: Hear, hear!

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of Mr. John L. Murray, Attorney General and Chief Legal Adviser for Ireland.

I also wish to draw to members's attention the presence in the gallery of the Hon. James Lockyer, Attorney General for New Brunswick.

Some Hon. Members: Hear, hear!

FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, if there is one point on which all fishermen in eastern Canada agree, it is that squid and capelin are vital to the rebuilding of our cod stocks because they are the food stock of our codfish. Wherever squid and capelin go, the codfish will follow.

I want to ask the Minister of Fisheries why, for the year 1990, this crisis year in the fishery, the Government of Canada has decided to issue licences to east bloc countries such as Poland, Bulgaria and the U.S.S.R., and to Cuba and Japan, to fish 72 million pounds of squid all along the coast of Newfoundland. Eight factory-freezer trawler licences this week have been awarded to Cuba and the U.S.S.R. Will the minister now cancel these licences and lift this aquatic Iron Curtain that is preventing our squid from reaching our shores in Newfoundland?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, this is hard to believe coming from that member. What he forgot to mention in his question was that this is a NAFO-managed stock. Maybe we are guilty of following what Liberal members of Parliament and Liberal ministers introduced in our fishery because the Grits started that a long time ago.

The fact is that we catch in Canada about 1,000 tonnes of squid a year over an allocation to Canada of 109,000 tonnes, so please get out of the water and put your two feet on the land.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this minister and this government have also agreed to an increase in foreign quotas for capelin, just east of St. John's in area 3NO, an increase to the U.S.S.R. up to 15,000 tonnes and an increase to Norway up to 9,000 tonnes. There are large quotas for Poland and Japan with the smallest quota going to Canada with 800 tonnes. I have the document here in which this minister is negotiating with the Soviet Union to give a capelin quota to the U.S.S.R. right in the middle of our northern codstocks.

Will the minister now cancel this eco-interception? Does he not realize that if he had told the fishermen of eastern Canada when he was there two weeks ago what he told this House today, that foreigners would get capelin and squid as under utilized species, he would

have been declared an endangered species, and if he awards these licences he is going to wish he were an extinct species?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Again, Mr. Speaker—George, you surprise me!

Some Hon. Members: Oh, oh!

Mr. Valcourt: This capelin stock, especially in 3NO which the member is talking about, is again managed by NAFO.

Is the hon. member telling me today that we should not follow the rules of the Law of the Sea? Because he is the first member to yell at the world about the Spanish and Portuguese who are not following the Law of the Sea. And today he would not want me to follow the Law of the Sea? He does not want me to reallocate the fish which Canadians do not want to catch?

By the way the member forgot to mention our allowable catch of this fish to feed cod. We could take 250,000 tonnes of them without endangering our cod stock at all. Last year we took about 50,000 tonnes. He may talk about the eco-interception but he has a problem and it is ego-interception. That is what he needs.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FORESTRY DEVELOPMENT

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is directed to the Minister responsible for Forestry or in his absence, to the Acting Minister. The minister knows perfectly well that four of the forestry development agreements that expired last year have not been renegotiated and that three other agreements are due to expire at the end of this month. Does the minister intend to renew these agreements? Where will he find the money, and how much does he intend to spend on these agreements?

[*English*]

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, in the absence of the minister who is at a major conference in the western part of our country, I can tell that hon. member that we have signed agreements with P.E.I., Nova Scotia, New Brunswick and Newfoundland. The two largest agreements with Quebec and British Columbia are still in effect. In the other three provinces, they are under negotiation now and when these negotiations are completed the announcements will be made.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my supplementary question is for the same minister. The Prime Minister told delegates at the Canadian Pulp and Paper Association's annual convention that his government would renew its $1.1 billion reforestation program. However, the Estimates tabled at the end of that month confirm that Forestry Canada's budget has been slashed by 31 per cent over last year's, and that regional development funds for subagreements have also been cut.

Where is the $1.1 billion promised by the Prime Minister and when will the new forestry agreements be renewed?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, the hon. member is absolutely correct, there was $1.15 billion in agreements in the last four years. That, incidentally, was about three or four times as much as the Liberals had.

It was mentioned that there is a process, and that process is being followed. When the negotiations are completed, the funds will be found and will be put into the budget of Forestry Canada. It is very simple.

* * *

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is directed to the Minister of Fisheries.

On March 9, the minister released regulations which allowed direct U.S. access to salmon and herring caught

off the B.C. coast. The official backgrounder released on that date would: "Make 100 per cent of the salmon and herring catches available to be counted, weighed and sampled prior to export".

Within 24 hours, External Affairs responded to industry lobbying by issuing 107 export exemptions which permitted the export of round herring for freezing, the first stage of processing. What consultations with the minister's department preceded the granting of these 107 export exemptions?

• (1450)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the B.C. salmon and herring dispute happily has been resolved. The regulations in order to carry out that settlement have now been promulgated and the system has been put in place.

As to whether there have been any export permits given with respect to frozen herring, if there are any such given, it is at the request of the Canadian industry, which states that they do not have sufficient freezing capacity themselves.

Ms. Langan: Not true!

Mr. Benjamin: That's wrong!

Hon. John C. Crosbie (Minister for International Trade): If you do not mind me giving the explanation, then the hon. gentleman can jeer, sneer and do what he likes.

There is a request from the industry that they be permitted to freeze herring in the U.S. and bring it back to Canada for processing so it will be processed in Canada.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I am tempted to ask you the question, but I will go back to the Minister of Fisheries. His department knows that never before in history has there been any shortage of freezer capacity on the B.C. coast for herring. It seems more than a coincidence that within 24 hours of this agreement being signed we find it necessary to issue 107 export exemptions.

To go back to the Minister for International Trade, what guarantee can the minister give B.C. shoreworkers that these fish will be returned to B.C. for further processing and not just shipped as round herring direct to Japan?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, one of the successes of the agreement we reached with the United States was that as a result of our agreement with the Americans, we could put into effect the Export and Import Permits Act and that the only exports permitted of roe herring from Canada will be herring that is exported to the United States to be consumed in the United States or processed in the United States to the same degree as it is processed in Canada. Since they have never processed herring there, it not too likely that will happen.

There will be no raw roe herring exported to Japan by this means or any other. That is one of the strengths of this agreement that was reached. If we had not reached an agreement with the United States, we would not have been able to put this into effect. The hon. gentleman should be supporting and shouting the virtues of this settlement throughout British Columbia.

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TELECOMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, yesterday Telecom Canada fused a new link of unity for the country when it completed a fibre optic chain from coast to coast, and the Prime Minister oversaw the last splice.

Let me remind him of what he said to First Ministers last fall: "Just as the railroad made it possible to create links between east and west 100 years ago, so telecommunications can do the same today, strengthening the unity and the sovereignty of the country. We simply cannot allow our system of communications to be fragmented and broken up by different regulations."

Will the Prime Minister follow these words, take the necessary leadership, ensuring that federal jurisdiction is upheld in this field, as the Supreme Court dictated?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed, I was happy to point out the presence of my hon. friend yesterday at the very important Telecom ceremony, along with the Minister for Communications whose department played such a vital role in bringing this major achievement about. The government will of course proceed in such a way as to uphold the rights of Parliament in this very vital area of our national life.

Mrs. Sheila Finestone (Mount Royal): I am glad to hear the Prime Minister affirm the ruling of the Supreme Court. I am pleased that the fate of the last spike

and the last splice will perhaps be the same thing—or I am not so pleased. I had better be careful about that.

[*Translation*]

Considering the economic and social impact that information and technological advances in telecommunications will have throughout the world during the next 20 years, could the minister give the House the assurance that no stumbling blocks along the way will prevent regulation of this advanced technology sector by a federal regulatory agency?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the government has already announced what its policy will be. We are continuing discussions with the provinces, consumers and users. This morning I had the pleasure of meeting another minister from one of the provinces and received a number of counter proposals from another province.

I can give the House the assurance that discussions are in a very active stage and we hope to be able to release the conclusions of these negotiations as soon as possible.

* * *

AGRICULTURE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State for Agriculture and relates to Canada's agricultural producers and the three basic principles of the Canadian supply management program concerning dairy products, poultry, yogurt, ice cream as well as the review of the national farm policy and external trade.

Since success depends on the position upheld by Canada during the current GATT negotiations, can the minister give some assurance, particularly about yogurt and ice cream which recently have been the subject of a controversial decision by the GATT panel?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, my colleague raises a very interesting issue. In Geneva this morning our team of negotiators finally tabled Canada's position concerning Article XI. The team is under the able direction of my colleague the Minister for International Trade. After lengthy consultations with farm organizations throughout Canada, including producers, processors and various parties interested in the agri-food sector, it has been agreed that a Canadian position be developed, Mr. Speaker.

I am sure that in the coming months and with the support of all interest groups we will be able to tell the rest of the world what our position is, particularly with respect to clarifying and reinforcing Article XI. That is the promise we made to the producers and the farm community, Mr. Speaker, and we have delivered the goods.

* * *

[*English*]

CORRECTIONAL SERVICES CANADA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is for the Solicitor General. The Weir report was initiated by Correctional Services Canada to investigate the escape in Alberta of a dangerous offender while on an escorted temporary absence, an escape that had very tragic results.

This partially censored report was critical of Correctional Services Canada personnel and procedures.

When will the Solicitor General tell Canadians, and particularly Albertans who have been most affected by this, what steps have been taken to ensure public safety in Alberta? Will he undertake to provide, either himself or through Correctional Services Canada, a full public and honest response to the Weir report?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, as my hon. colleague has indicated, the Weir report was made public four days after it was given to us. Some recommendations have already been implemented, others have been referred to task forces, and some still have to be considered. I can assure this House that I will be looking into it very closely.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, Canadians and Albertans are looking for a bit crisper response than that. It has been three months since the report was made public and one more sequence of mistakes like those which occurred in the Gingras escape could well cost another Canadian his or her life.

When will the minister complete and fulfil his obligations to Canadians and honestly address the problems and potential solutions that were raised by the Gingras escape? When?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, I think it is an acknowledged fact that the Weir report indicated some mistakes that have been made by people, not by the system or process that was in place.

I am more interested in bringing in some correct answers than crisp answers.

* * *

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is to the Minister of State for Agriculture who has already notified the House that Canada's position to amend Article 11 of the GATT Round has been tabled today. It shows that for those products produced under the supply management, a processed product can be controlled coming into the country if it is totally or mostly a primary or fresh product.

What was the response from our partners in the Cairns Group and, particularly, what was the response of the U.S.A. to this particular position when it was laid down at the GATT round this morning?

• (1500)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we are attempting to strengthen Article 11 by proposing that processed agricultural products could be covered by Article 11, import quotas, if they are made "wholly or mainly" from a fresh product under effective supply control.

An Hon. Member: We already knew that.

Mr. Crosbie: The hon. gentleman did not know that, because he did not use the words "wholly or mainly", so do not embarrass him, please.

This proposal that we have made is a proposal made by Canada. The Cairns group understands—I made it clear to the Cairns group last November—what our position was with respect to supply management and the attitude that we were taking. The Cairns group does not agree with us on this particular point, but they know that generally our objectives are the same. They welcome Canada as a valuable member.

The United States has its own position, but while the United States may dictate to the NDP what position they should take, they do not dictate to us what positions we are going to take.

Some Hon. Members: Oh, oh.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, if this proposal becomes the rule under the GATT, will the guaranteed access provisions of the Canada–U.S. trade agreement become invalid, particularly those sections which guarantee access to poultry under the CUSTA. Will this now become invalid because the GATT would overrule it?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we will have to see first whether these provisions become an accepted part of the GATT. There will be a long and arduous negotiation. We are going to require that there be major changes on behalf of the United States, for example.

The hon. gentleman mentioned the United States. There are very objectionable features of law in the United States that we would like to see removed, particularly with respect to import controls. All these matters will be dealt with. I can assure the hon. gentleman that we will be getting the best possible deal for Canada in this multi-faceted and difficult international negotiation.

ROUTINE PROCEEDINGS

[*Translation*]

ORDER IN COUNCIL

TABLING AND REFERENCE OF APPOINTMENTS

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, it is a great pleasure to table in the House today, in both official languages, the orders in council announcing appointments made recently by the government. Pursuant to Standing Order 110(1), these orders in council are deemed to have been referred to the standing committees as specified.

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to several petitions.

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

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COMMITTEES OF THE HOUSE

JUSTICE AND SOLICITOR GENERAL—FIRST REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Justice and the Solicitor General in both official languages.

This report refers to the report "Taking Responsibility", which was prepared by the Standing Committee on Justice and the Solicitor General and tabled in this House in August, 1988, with a request that the government table a comprehensive response. However, Parliament was dissolved before a response could be tabled.

Believing that "Taking Responsibility" is still valid, the committee request pursuant to Standing Order 109 the government tabled a comprehensive response to that report.

BILL C-56—REPORT OF LEGISLATIVE COMMITTEE

Mr. Girve Fretz (Erie): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-56, an Act to amend the Small Business Loans Act (with amendments).

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

REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, there has been a meeting of the striking committee. I have a report to present to the House. Unfortunately, I do not have it in my hands at the moment. I will have it to the table in a minute or two from the striking committee.

CRIMINAL CODE

MEASURE TO AMEND

Hon. Bob Kaplan moved for leave to introduce Bill C-291, an act to amend the Criminal Code (duty to give assistance).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said bill?

Some Hon. Members: Agreed.

Mr. Kaplan: Mr. Speaker, this is an amendment to the Criminal Code to establish what is known in civil law as a rescuer's duty within Canadian law.

The idea comes from incidents like the situation in Calgary, and also in other cities, where victims of rape or other crimes are left and passers-by ignore them. There is a sense in the community that this is improper and that to the extent that a person can help someone else out without putting themselves in danger, they should do so.

I have taken a recommendation of the Law Reform Commission of Canada to this effect, based on the practice in many other civilized countries of the world. Judging from public reaction to these incidents, I believe it would enjoy great public support.

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

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REFERRAL OF COMMITTEE REPORT

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

> That, notwithstanding any Order or practice of this House, the report of the Department of Indian Affairs and Northern Development for the fiscal year ended March 31, 1989, which was deemed referred to the Standing Committee on Aboriginal Affairs on January 31, 1990, (Sessional Paper No. 342-1/13A), be deemed referred as well to the Standing Committee on Industry, Science and Technology, Regional and Northern Development.

I believe there would be unanimous consent for that at this point in time.

Mr. Speaker: Does the hon. government House leader have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

COMMITTEES OF THE HOUSE

SPECIAL COMMITTEE ON THE REVIEW OF THE CSIS ACT AND THE SECURITY OFFENCES ACT—AUTHORIZATION FOR COMMITTEE TO TRAVEL

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I believe there is also unanimous consent for the following motion. I move:

That the Special Committee on the Review of the CSIS Act and the Security Offences Act be authorized to travel to Washington, D.C. for the period from Tuesday, March 20, 1990 to Thursday, March 22, 1990 for the purpose of holding discussions respecting security intelligence administration and structure, and that the necessary staff do accompany the committee;

and that the committee be authorized to travel to Vancouver for the period from March 25, 1990 to March 28, 1990 for the purpose of hearing evidence related to the committee's order of reference and of visiting regional police and security facilities, and that the necessary staff do accompany the committee.

Motion agreed to.

INDUSTRY, SCIENCE AND TECHNOLOGY, REGIONAL AND NORTHERN DEVELOPMENT—AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, again with unanimous consent, I move:

That the Standing Committee on Industry, Science and Technology, Regional and Northern Development be authorized to travel to Montreal on Monday, March 19, 1990 to visit the laboratories of Hydro-Québec in relation to its study of a science and technology strategy, and that the necessary staff accompany the committee.

Motion agreed to.

PETITIONS

GOODS AND SERVICES TAX

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have yet another petition which comes from my constituents, certified by the House, containing 160 names from one community, La Salle, within my constituency, indicating that the petitioners object to the government's plans to go forward with the goods and services tax.

• (1510)

They feel that the government has not addressed the unfair tax system in this country and therefore call upon the House to reject the current proposal for a goods and services tax and to reform the taxation system so that there are effective minimum taxes on wealthy individuals and corporations and the tax burden will be shifted away from ordinary Canadians.

FISHERIES

Mr. John Brewin (Victoria): Mr. Speaker, I have the honour to present a petition on behalf of almost 3,500 people mostly from the greater Victoria area who have asked me to submit a petition on their behalf. The petition deals with the use of drift-net fishing in the north Pacific Ocean.

It has been pulled together by the group AWARE that is based in Victoria. Drift-net fishing, the petition notes, is leading to an ecological disaster in the north Pacific. There is a requirement for very clear, firm measures by the Canadian government including the institution of economic sanctions and the placing of prohibitive tariffs and duties on imports to Canada from these countries unless they cease and desist from this very wrong and difficult practice.

NORTHERN TAX BENEFITS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have the honour today to submit to the House two sets of petitions from constituents in my riding of The Battlefords—Meadow Lake. They are residents of the town of Meadow Lake, Rapid View, Pierceland, Loon Lake, Goodsoil, Green Lake, Dorintosh and other communities.

These are communities affected by the northern tax allowance program and the petitioners, as have others that I have presented in this House, recognize that the report of the task force on tax benefits for northern and isolated areas released in late October fails to address

the realities of living in the north and it calls on Parliament to reject the recommendations contained in that report and in turn, develop a fair and equitable tax benefit program that recognizes the financial needs of the people of the northern and isolated areas.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is a pleasure today to rise pursuant to Standing Order 36 and present another petition added to the thousands of names and many petitions I have already presented to the House against the goods and services tax that this government proposes.

People will not be fooled by this government's attempts at selling them on a lower rate and they have asked that this government cease with its present proposal which shifts the tax burden to ordinary Canadians through a regressive consumption tax instead of through real tax reform. They ask the government to get on with real tax reform and get away from this regressive tax.

EXTERNAL AFFAIRS

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I too have the pleasure to present a petition signed by several hundred constituents concerning a Canadian citizen and taxpayer, Mr. Wih-Sheh Leo, who was arrested unlawfully and sentenced to 10 months imprisonment for exercising his right to return to his native land and is currently under indictment on sedition charges, facing a minimum term of 10 years imprisonment. These charges are the result of political persecution by the authorities in Taiwan.

The petitioners ask the Canadian government to issue a public statement expressing Canada's concern over a Canadian citizen's rights being violated, instruct the Canadian Embassy in Japan or the High Commissioner's office in Hong Kong to send a representative to Taiwan, appoint a lawyer to handle the case and request Canada's allies which have representatives in Taiwan to assist in this case.

GOODS AND SERVICES TAX

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour of presenting in this Chamber five petitions signed by members of my community in my riding of York West. Essentially they are petitioners against the goods and services tax and we urge through these petitions and by calling 1-900-720-6052 for Canadians to demonstrate the frustration and the anger that Canadians from coast to coast feel against—

Mr. Speaker: I have to remind the hon. member that he is to present his petition, but to try as much as possible to stay away from entering into debate.

RIGHTS OF THE UNBORN

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the duty and privilege today to table a petition regarding the rights of the unborn child.

This petition has been signed by the residents of my constituency in Thunder Bay—Nipigon. It has been certified by the Clerk to be correct. The petitioners pray that the legislation be changed to effectively protect the life of the pre-born child without distinction as to stages of development.

GOODS AND SERVICES TAX

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have the duty and pleasure of presenting a thick sheaf of petitions signed by well over 2,000 western Canadians, 800 of whom signed these petitions attended an anti-GST rally in Brandon last month and took the opportunity of expressing their displeasure and their opposition to the GST.

These petitions, pursuant to Standing Order 36, have been certified as correct as to form and content. They simply point out that this GST is unwarranted, unfair, regressive, and they have asked us in the Liberal party to do all we can to oppose the tax and ask the government to come to its senses and withdraw the tax as soon as possible.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty on behalf of a number of constituents of Saskatoon, Waldheim, and Rosthern to put before the House a petition which calls upon the government to reject the current proposed goods and services tax and put in place an effective tax which is broad in base and does not harm the middle class Canadian.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36. I have six petitions here, duly certified by the Clerk of Petitions, from a total of 210 constituents who are concerned about the goods and services tax.

They are concerned that it will be hidden and will be applied to virtually all goods and all services that they are involved in, particularly for the low and middle income Canadians that I largely represent and another group, the group of small businessmen who really feel that this is going to be the straw that breaks the camel's back.

They humbly pray and call upon Parliament to reject the proposed goods and services tax.

POST-SECONDARY EDUCATION

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today under Standing Order 36 to present a petition signed by hundreds of students from the University of Prince Edward Island.

The students call upon their elected representatives to stop the erosion of quality and accessibility in our universities, colleges and other post-secondary educational institutions of Canada.

They also call upon Parliament and the Government of Canada to commit to arranging a federal-provincial conference of the highest political representatives to establish obligations of the two levels of government in the financing of Canadian post-secondary education and to ensure an end to the shameful neglect of higher education in Canada.

GOODS AND SERVICES TAX

Mr. Bob Wood (Nipissing): Mr. Speaker, I have the honour today to rise pursuant to Standing Order 36 to present a petition with over 3,500 names on behalf of my constituents in Nipissing and also on behalf of the people of the Timiskaming riding who are against the goods and services tax.

These people feel that this tax is unfair and will cause serious and unfair hardship to low and middle income Canadians. It is also an unfair burden to small business.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to present three more petitions to add to the hundreds of petitions that I have presented from my riding of Prince Edward—Hastings from people who are concerned and fearful of what the goods and services tax is going to do to them as individuals and to their small businesses.

They are asking the government to withdraw this unfair and unwarranted tax, go back to the drawing board, and put something in place that is more fair and more equal to the taxpayers of this country.

• (1520)

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure to present a petition signed by numerous taxpayers and residents of Canada who object to the goods and services tax. They recite how unfair this tax is for them and for all Canadians and call upon Parliament to reject any bill based on such an inequitable measure.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 209 and 221.

[*Text*]

CANDU REACTOR TECHONOLOGY

Question No. 209—**Mr. Caccia:**

1. With reference to the sale of Candu nuclear reactor technology by Atomic Energy of Canada Limited (AECL) (a) have AECL officials visited or worked at the Cernavoda site in Romania and, if so (i) on what dates (ii) what number of officials (iii) what were and are their job titles and descriptions (b) was AECL aware of the use of army conscripts and forced labour on the Cernavoda project and, if so, did AECL take any action to protest this practice (c) has AECL given Romania the right to sell Candu technology to third parties (d) has AECL been paid for the Candu technology installed in the Cernavoda power plant and, if so (i) what sums (ii) by what persons?

2. Is AECL currently negotiating with other countries for the sale of Candu reactor technology and, if so (a) which ones (b) in each case, what stage have the negotiations reached?

Hon. Arthur Jacob Epp (Minister of Energy, Mines and Resources): 1. (a) Yes, AECL officials have both visited and worked at the Cernavoda site in Romania.

1. (a) (i) & (ii) The first AECL assignments to the Cernavoda site started in September, 1980. The average staff levels at this site were:

Year	No. of Persons
1980	2
1981	2
1982	2
1983	2
1984	2

Year	No. of Persons
1985	2
1986	3
1987	8
1988	14
1989	15

1. (a) (iii) As of February 2, 1990, AECL has the following staff of 15 technical assistants assigned to the site:

-Construction Manager
-Civil Superintendent
-Quality Assurance Representative
-Nuclear Steam Plant Mechanical Superintendent
-Mechanical Quality Assurance Representative
-Nuclear Pipe Supervisor
-Process Engineer
-Instrumentation Superintendent
-Electrical Quality Assurance Representative
-Reactivity Mechanisms Specialist
-Maintenance Equipment Clean-up Superintendent
-Commissioning Manager
-Unit 2 Construction Quality Assurance Manager
-Unit 2 Mechanical Quality Assurance Representative
-Unit 2 Mechanical Engineer

The duties of these technical assistants, for their respective areas of expertise and responsibility, are:

To provide technical assistance to the client in the observance of AECL design requirements, including assistance with:

-technical guidance and planning
-quality assurance manuals
-corrective actions for construction errors
-training of certain workers
-inspection of procedures, test results, etc.
-correction of errors or shortages in the design.

1. (b) AECL was aware that the army provided some manual (unskilled) labour to the Project, in addition to its security duties, but AECL was not aware of "forced labour" at Cernavoda.

(c) Romania cannot sell CANDU technology to third countries without AECL's and the Government of Canada's prior written consent.

(d) ROMENERGO is current on all payments due to AECL for CANDU technology. Pursuant to section 20 (1) (d) of the Access to Information Act, the amount of such payments is confidential commercial information.

2. AECL is not currently negotiating the sale of CANDU reactor technology to other countries. However, in late January 1990, AECL received from South Korea an Invitation to Bid on engineering services for the construction of a second CANDU reactor in that country, that could eventually involve the sale of CANDU reactor technology. Negotiations for this unit are expected to begin later this year.

STUDIES CONCERNING SEISMIC ACTIVITY OR EARTHQUAKES OCURRING AROUND THE CERNADOVA SITE IN ROMANIA

Question No. 221—**Mr. Blaikie:**

Has Atomic Energy of Canada Limited conducted any studies as to the likelihood of seismic activity or earthquakes occurring around the Cernadova reactor site in Romania, and if so, what were the major findings?

Hon. Arthur Jacob Epp (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

Studies as to likelihood of seismic activity or earthquakes ocurring around the Cernadova site in Romania were conducted by the Romanians. Therefore, under the terms of the agreement with Romenergo and pursuant to section 20(1) (b) of the Access to Information Act, AECL cannot release the requested information.

[*English*]

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

Mr. Speaker: The questions as enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, Notice of Motion for the Production of Papers No. P-18 in the name of the hon. member for Kingston and The Islands is acceptable to the government with the reservation stated in the reply and the documents are tabled immediately.

FEDERAL BUSINESS DEVELOPMENT BANK

That an Order of the House do issue for a copy of the current list of lawyers and notaries in Canada approved to perform legal services for the Federal Business Development Bank.

Mr. Cooper: Mr. Speaker, if you would be so kind as to call Notice of Motion for the Production of Papers No. P–22 in the name of the hon. member for Winnipeg—Transcona.

ATOMIC ENERGY OF CANADA LIMITED

That an Order of the House do issue for copies of all studies conducted by Atomic Energy of Canada Limited as to the likelihood of seismic activity of earthquakes occurring around the Cernadova reactor site in Romania.

Mr. Cooper: Mr. Speaker, Atomic Energy of Canada Limited reports that the requested studies were conducted by the Romanians. Therefore, under the terms of the agreements with Romanergo and pursuant to Section 21(b) of the Access to Information Act AECL cannot release the information contained in the reference document. In view of the above information I would ask that the hon. member withdraw his motion.

Mr. Gauthier: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Cooper: Mr. Speaker, I ask that the other Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: So ordered.

GOVERNMENT ORDERS

[*English*]

CROP INSURANCE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C–48, an act to amend the Crop Insurance Act, as reported (with amendments) from a legislative committee.

SPEAKER'S RULING

Mr. Speaker: There are 10 motions and amendments set down on the Notice Paper at the report stage of Bill C–48, an act to amend the Crop Insurance Act.

I have reviewed the motions.

[*Translation*]

Motion No. 1 standing in the name of the honourable, the Minister of Agriculture, seeks to extend the application of the crop insurance program to honey. This particular motion has caused the Chair a great deal of concern because of the history surrounding the whole issue. Nervertheless, the Chair cannot ignore the fact that the Minister is seeking to make a substantive amendment to the Bill by amending an interpretation section in the Bill. He is also introducing a new proposition into the Clause. This is against our pratice and I would refer the House to Citation 773, subsection 10, of Beauchesne's 5th Edition and to paragraph one, at page 555 of May's *Parliamentary Practice*, 20th Edition.

It is with regret but I must rule the motion out of order.

[*English*]

Motion No. 2 standing in the name of the hon. member for Algoma also causes the Chair problems because it seeks to extend compensation for crop damage caused by water fowl to coverage of crop damage caused by wildlife. This, of course, is not procedurally acceptable because not only does it go beyond the scope of the clause but it also infringes on the royal recommendation.

Citation 540 of Beauchesne's Fifth Edition stipulates that an amendment infringes on the financial initiatives of the Crown not only if it increases the amount but also extends the objects and purposes set out in the communication by which the Crown has recommended a charge. I might also add that this motion was moved in the legislative committee and ruled out of order.

[*Translation*]

I have no choice therefore but to rule motion No. 2 out of order.

Since the hon. member is seeking to do the same thing with respect to compensation for crop damage in motions Nos. 3, 6, 7 and 8 as he tried to do in motion No. 2, he will know that I must also, rule those motions out of order for the same reasons.

[*English*]

Motion No. 4 also stands in the name of the hon. member for Algoma. This motion in amendment would increase the amounts paid by the Government of Canada to the government of a province. As I have pointed out above, increasing a burden or charge on the Treasury infringes on the royal recommendation and is contrary to our practices as found and set out in Citation 540 of Beauchesne's Fifth Edition. For this reason I have no choice but to rule the motion out of order.

[*Translation*]

Motion No. 5 standing in the name of the hon. member for Mackenzie caused the Chair to reflect because it was dealt with in the Committee. However, the Chair has received representations from the member and is prepared to accept the arguments that the amendment is significant enough to warrant consideration at this stage.

For this reason, I will allow the motion to be put to the House. It will be debated and voted on separately.

[*English*]

Motion No. 9, standing in the name of the hon. member for McKenzie is also acceptable. It will be debated and voted on separately.

Motion No. 10, standing in the name of the hon. member for Algoma caused the Chair to reflect. However, other instances were found where similar advisory, consultative and other similar types of committees were created without any charge on the federal treasury being necessary. Therefore, the motion is acceptable and it will also be debated and voted on separately.

[*Translation*]

To recapitulate, motions Nos. 1, 2, 3, 4, 6, 7 and 8 are out of order and will not be selected for debate.

[*English*]

Motion Nos. 5, 9 and 10 are acceptable and each will be debated and voted on separately.

I want to thank all hon. members for their co-operation in discussions on these matters with the Chair.

The House will proceed first with motion no. 5, which I will now propose to the House.

MEASURE TO AMEND

Mr. Mazankowski: Mr. Speaker, I respect your ruling and certainly do not want to take issue with it. Your ruling with respect to motion No. 1 does put us in a bit of a dilemma, inasmuch as the amendment was being put in place with a view to satisfying a requirement that was proposed by the Standing Committee for the Scrutiny of Regulations and Other Statutory Instruments. This has been an ongoing issue for quite a number of years. The purpose of this amendment was to resolve that particular issue and to clarify the definition of crop consistent with the recommendations of this committee.

Just to recap, the purpose of the amendment was to revise the definition of crop. It really does not change in a major way the thrust of the bill. In effect, what we are doing here is adding the words "including honey"—because honey has been included as a crop under the provisions of this legislation in the past—to the end of the present definition, both the French and English versions. The French version would be amended to replace the word *agricole* on line 19, page 1, with the word *vegetal*. The change to the French text would ensure that the English and French versions are more consistent. That also would include the reference to the words "including honey".

As a matter of fact, on February 22, 1990, I received a letter from the Joint Committee indicating that there should be an amendment to ensure that the definition of crop would permit honey to be considered as a crop for the purposes of this act. It went on to state that between 1985 and 1988, the Standing Committee for the Scrutiny of Regulations of the Department of Justice had expressed differences of opinion as to whether the definition of crop in the existing Crop Insurance Act sufficiently provided authority to allow honey as an insurable crop.

I would like to clarify this, if it is possible. I suspect that one way of clarifying it would be seeking unanimous consent of the House. If that unanimous consent was granted, it would seem to me that we would do two things. We would make it very clear that honey was included and it would clarify that issue, plus I think that

it would satisfy the requirement of the Standing Joint Committee.

Mr. Speaker: I have listened very carefully to the hon. minister. I very much regret that my ruling on procedural grounds is causing him difficulty on such a substantive matter. The Minister has asked for consent. I wonder if the hon. member for Mackenzie and the hon. member for Algoma could assist the Chair. The hon. member for Mackenzie.

• (1530)

Mr. Althouse: Mr. Speaker, I rise on the same point of order. I think the minister has stated the situation quite clearly. The regulations and the practice have included honey. The law as it would have come before this House failed to mention it. I think it was an oversight. I also think we should give unanimous consent to include it, with your permission, Mr. Speaker, and with the permission of the other parties in the House.

Mr. Foster: Mr. Speaker, I think we would like to see honey included. It is an important crop. Although it may not be as large in dollar volumes as some others, I think we would want to see it included.

That way it clarifies that it is covered by the crop insurance legislation, and especially by Bill C–148. Because it is a clarification of what is covered under the term crop, it seems to me that it does not require a change in the royal recommendation. It simply clarifies an existing situation which has been ongoing for a number of years.

Mr. Ferguson: Mr. Speaker, I rise on the same point of order. We have to give the minister credit for bringing forth this amendment. He obviously is trying to sweeten up this bill. Of course other parts of it were ruled out of order which we thought would have made it much more palatable, but because he has introduced this particular amendment we know what he is trying to do and we will go along with it on behalf of the honey producers of Canada.

Mr. Speaker: I take it there is consent for the minister to move the motion. Again I thank the hon. minister for bringing the matter to the attention of the Chair. Of course I am bound by the rules, but the House can make its own rules and in this case it certainly has done so.

Government Orders

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture) moved:

Motion No. 1

That Bill C–48 be amended in Clause 2 by striking out line 20 at page 1 and substituting the following therefor:

"criteria contained in the regulations, and includes honey;".

Motion No. 1 agreed to.

Mr. Vic Althouse (Mackenzie) moved:

Motion No. 5

That Bill C–48 be amended in Clause 3 by striking out lines 3 to 8 at page 3 and substituting the following therefor:

"(b) an amount equal to twenty–five per cent of all premiums paid in the province under the insurance scheme in that year."

He said: Mr. Speaker, I have proposed this amendment because I think the words of the act would reflect more clearly the speeches and the public announcements that have been made on this particular area of the cost sharing arrangement. We have been given to understand that the federal government will pay 25 per cent of the premium costs, the provincial governments will pay 25 per cent, and the producers will pay 50 per cent of the total cost of premiums for crop insurance.

This particular amendment would state that quite clearly. In its original form before my amendment it would simply provide for a share of up to a maximum of 25 per cent of all premiums paid in the insurance year by the federal government and by the province, which by simple logic means that the producers would be paying much more than 50 per cent on those particular years. I think this makes the formula clearer and more consistent from year to year. I would hope that all members in the House would support it.

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to rise and congratulate the hon. member on the amendment he has put forward. A similar amendment was proposed in the standing committee. It ensures that the government is not going to welsh on its commitment of 25 per cent.

This bill does some very good things. It provides for greater benefits to be paid under the crop insurance legislation, but the percentage of the premium is the problem. It does not provide for tripartite participation. It does not even provide for 25 per cent participation. It

is not guaranteed, and that is what the hon. member is seeking to do in this amendment.

There is great concern in the country that historically Canada has paid 50 per cent of the premium, farmers have paid 50 per cent, and the provincial governments outside Newfoundland and Quebec where this particular arrangement has been in effect have paid only the administrative costs.

In this bill we not only have the government reducing its share of the premium from 50 per cent to 25 per cent. We do not even have a guarantee that it is going to pay 25 per cent, and that is what the amendment attempts to do. Practically every farm organization in this country from the prairie pools to the Ontario government, to corn producers, to soybean producers have asked that the percentages be 33, 33 and 33.

For the life of me I do not understand why the government did not accept those amendments, or why it brought in a bill like this one. The government and every farm organization would like very much to get away from *ad hoc* programs such as the Special Canadian Grains Program and the drought program. They would have cost the government some $850 million in the case of drought and, in the case of the special grains program, $1 billion two or three years in a row.

Yet we bring in a crop insurance program that goes to the higher percentage of coverage, from 70 per cent to 90 per cent and in some cases from 80 per cent to 90 per cent coverage. It makes a number of other improvements, yet the premium is increased so dramatically that the question is whether farmers will take out the coverage.

At the same time we see the government chiselling away and deciding whether it is going to provide 33 per cent or 25 per cent. In the case of this amendment, it is not even going to guarantee that they will provide 25 per cent. It may be less at some time in the future. This would leave the provinces in a desperate situation.

In provinces like Prince Edward Island just switching from administrative costs to 25 per cent puts them in an impossible situation. Nobody knows exactly how in the world they are going to meet their share because it goes from about $150,000 a year to $650,000 a year. That is half a million dollars, which for larger provinces might not be a big cost but for provinces like Prince Edward Island with 130,000 people is a major cost.

• (1540)

We have pleaded with the government. Our amendments have been ruled out of order. I think the government is nickeling and diming and cutting the thing tight for producers and small provinces. A bill which theoretically would work will not work because premiums are so much higher. I do not have all the figures, but for corn the premium rose from something like $5.70 to $10 an acre. That is almost a 50 per cent or 60 per cent increased cost per acre to move from an 80 per cent coverage to a 90 per cent coverage.

Besides that increased cost for those producers, provinces like Prince Edward Island are going to have great difficulty. They are hoping that through cost shared arrangements or some other deal the government can slip them $500,000 under the table rather than cost sharing it on a proper basis up front.

When the ministers of agriculture met last year in Saskatoon, it is interesting that provinces like Prince Edward Island, New Brunswick, Ontario and British Columbia opposed it. There was no change in the existing legislation as far as Newfoundland and Quebec were concerned. Producers across the country opposed it. Yet we ended up with this cost sharing arrangement which will only mean that we will have to bring in special drought assistance programs whenever there is a national disaster such as we had in 1988 and in 1989. Provinces like Saskatchewan, Manitoba and southwestern Ontario have already demanded crop assistance for 1989 as well as 1988. We can understand it in the case of corn producers. If we look at their net margin and the volume, their returns as a group are almost the same in 1989 as they were in 1988.

The Minister of Finance can come into the House as he did in April 1989 and say that he is going to save $200 million in crop insurance because he is going to off load on to the provinces. We see provinces like P.E.I. facing an increase of almost 400 per cent in the cost of its premiums.

That is a serious problem for those provinces, but equally serious is the fact that many responsible farm organizations—the Canadian Federation of Agriculture, the Ontario Corn Producers, and many other groups—

are saying that the problem with this bill is that we will not get the same kind of coverage because the premium costs will be so high.

We are not even guaranteed as is in the existing bill that the government will provide even 25 per cent. If the government drops that on some whim to 20 per cent or lower, provincial governments or farmers will end up with a major new cost as a percentage of the total premiums to be paid.

The amendment we have before us would at least ensure that the federal government is to provide 25 per cent of the costs. This is a good amendment. I hope that the government will accept it. It does not require any change in the royal recommendation because it provides up to 25 per cent now. All the minister has to do is accept the amendment and farmers will at least be assured that the federal government is making a commitment to ensure that at least 25 per cent will be paid under the cost sharing arrangements with the provinces and the producers under this legislation. I hope that the government will accept this amendment.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I can certainly appreciate the intent of hon. members, both the hon. member who proposed the amendment and my hon. friend across the way from Algoma.

What is important to remember is that the wording has been chosen very carefully because it has to be consistent with the provisions contained within the clause itself. It preserves the very important principle of equal sharing between the federal and the provincial government.

Bearing in mind that crop insurance programs fall within provincial jurisdiction, the federal government actually reimburses moneys to the provinces that have advanced the federal share of premiums to their respective insurance agency. In order to get a full appreciation of this, Mr. Speaker, you have to go back and read the beginning of Clause 4 which talks about contributions. It really reflects my earlier statement when it states:

> The contribution payable to the government of a province in respect of a year in relation to an insurance scheme shall be an amount equal to the aggregate of (a) 50 per cent of the expenses incurred by the province in that year in the administration of the insurance scheme—

That is 50 per cent of the cost of administration and it continues:

> —and (b) an amount equal to the share of the premiums paid by the province under the insurance scheme in that year, up to a maximum of 25 per cent of all premiums paid under the insurance scheme in that year.

What we are enshrining in here is the principle of 50 per cent of the cost of administration and up to 25 per cent of the share of the premium paid by the province under the insurance scheme in that particular year. The words in this clause have been chosen very carefully to reflect the fact that we must have the flexibility to match the amount paid by the province in the event a province were to elect to pay less than 25 per cent.

We have no intention of reducing our share, but if in the event a province did, we would have to comply consistent with that principle of equal sharing. This is a matter of upholding a principle and of maintaining consistency. We have to be consistent with the principle that underlines the program and is contained earlier in the clause I just quoted.

I should say as well that at our request the Department of Justice has reviewed the clause. It has pointed out that subparagraph 4(1)(a)(ix) at page 3 sets out the elements that are to form part of an insurance scheme established in the province in order for the scheme to qualify for contributions. This is driven by the provincial government and these are the conditions that have to be set out for the federal government to participate.

If we look at subparagraph 4(1)(a)(ix), at the top of page 4, we find that it outlines the manner of determining the premiums to be paid under an insurance contract and the share of those premiums to be paid by the province. Under that particular provision of the bill it provides that the share of premiums can be spelled out in the federal–provincial crop insurance agreements.

I want to assure all hon. members in the House and the country that we will be ensuring that a clause is put into each agreement with our provincial counterparts to the effect that both levels of government will be contributing 25 per cent. I have no difficulty with that whatsoever.

What we want to do is ensure that the province contributes 25 per cent and we will contribute 25 per cent, and that will be enshrined in each of the respective agreements. I think that in itself should give hon. members comfort and assurance that we will fulfil and uphold our obligation.

• (1550)

Therefore this particular clause would be inconsistent and it could have the effect of violating a fundamental principle that is enshrined in the bill.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I want to follow on the minister's comments. For the last year and a half that we have been discussing this particular bill, the federal government has been making a good point that it is 50 per cent, 25 per cent and 25 per cent.

However, if there is a reduction by the provinces under the present structure of that particular clause, there will be an equal counter-reduction by the federal government and the information that we have been passing out around the country will be wrong. Instead of producers being 50 per cent, the producers will be 80 per cent or whatever is the decision. If they go down to 10 per cent or 15 per cent, then we would have a situation which would no longer be the situation with which we have been dealing for a considerable length of time.

The minister made the point that they can put into the contract an assurance that it would stay at 25 per cent. All this particular amendment does is make sure that the federal government in its contract with the province will put it in at 25 per cent because if it does not the cost sharing will break down.

Consequently, it seems to me that all we are doing by passing this particular amendment is making sure that the 50, 25, 25 and 50 per cent of the administration costs will happen. In other words, we are fulfilling the promises we have made to the producers across the country.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I have just a brief comment. I do not know whether it is in order for me to ask the minister to make a clarification.

The Acting Speaker (Mr. Paproski): Yes, it is.

Mr. Vanclief: Following on the comments of the previous speaker, what the minister said in his comments a minute ago if I understood him correctly was that the wording of the bill at the present time is up to 25 per cent. If a province were to make a decision for whatever reason to back off to 15 per cent, then this legislation would allow the federal government to back off to 15 per cent. This would be a total contribution to the premium cost of 30 per cent, leaving 70 per cent to be picked up by the producer.

I would like to stress to the minister that this is a concern I have heard from many producers. Given the criticism that many of our agricultural programs are coming under in the world and given the trading situation at the present time, this may very well be an action that could be taken by a government in order to quell concerns and to satisfy people. That is the concern of producers.

If we take this to the extreme, it could go down to zero and zero, and the federal and provincial governments would simply split the administrative costs fifty-fifty while the producers would have to pay 100 per cent of the premiums. I am not saying that is the intention of this government or of any government, but the way I understand the legislation it is not an impossibility for that to happen legally or for it to go down to 1 per cent. What is the guarantee that it will not go down, down and down?

Mr. Mazankowski: Mr. Speaker, I do not want to be indifferent because I know what the hon. member is driving at. The principle he outlines in terms of the federal government's share is pretty clear in our own mind. These are set out in the respective agreements that we negotiate with each of the provinces. Each of the agreements varies in some detail. We lay out here the terms and conditions under which we reimburse and refund, bearing in mind that crop insurance is a provincial responsibility and a provincial program.

What we are defining here are the criteria under which the federal government shares in the cost. The principle of equal sharing is inherent throughout this particular piece of legislation. It is based upon the premise that 25 per cent of the funding will be paid by the province and 25 per cent of the funding paid by the federal government. I have indicated that that is our commitment. It stands on that basis.

On the basis of the legal requirement and the review of the Department of Justice, in order to be consistent and in order to maintain the principle of equal sharing it

has to be provided for in the bill in the manner in which it is described at the present time.

I sympathize with the hon. member. I know what he is driving at. I can only reiterate that our firm commitment is there. On the basis of the negotiations that will take place, we will ensure that the 25 per cent is a fundamental part of the agreements that are negotiated with the provinces.

Mr. Maurice Foster (Algoma): Mr. Speaker, when the minister was responding to my comments he did not deal with the question of provinces like Prince Edward Island which are facing a massive increase in their premiums. Their administrative costs in the past have been about $150,000. Their premiums and the premiums provided under this proposed legislation will be something like $650,000 plus the administrative costs or cost sharing. Prince Edward Island is facing a $500,000 increase in cost. Since that province did not agree I just wonder if any special arrangement or system is to be provided by the federal government for those smaller provinces.

I ask this question in view of the fact that under the existing legislation Prince Edward Island is not even guaranteed that it will get 25 per cent. The federal government may provide it. It should provide it and we hope that it will, but it is not guaranteed. I assume that there are similar figures for New Brunswick and British Columbia since they are both opposing this legislation. I wonder what arrangement there will be for such a massive increase in premium costs for smaller provinces.

The Acting Speaker (Mr. Paproski): Before recognizing the hon. minister, I should like to bring to the attention of hon. members that particularly right now when debate is permitted no member shall speak more than once or longer than 10 minutes during proceedings of any amendment at this particular stage.

Motions Nos. 5, 9 and 10 will be moved and we will have 10-minute speeches. Perhaps we can deal with this motion and begin consideration of the next one.

I will allow the minister to answer the question this time, but I think we should follow the Standing Orders.

Mr. Mazankowski: Mr. Speaker, I was going to rise on a point of order to seek unanimous consent to respond to the very legitimate question of the hon. member. With your permission I will try to respond as briefly as I possibly can.

In his earlier remarks the hon. member left the impression that the whole country, all provinces, wanted a sharing arrangement of a third, a third and a third. He is absolutely wrong, and he should not leave that impression because he was not at Prince Albert. This happens to be a provincial program. I want to remind him, once again, that the provinces that utilize crop insurance to the fullest wanted no part of the one-third/one-third/one-third arrangement. He should know that. Ontario was there and it reluctantly accepted it.

• (1600)

They would have preferred the one-third/one-third/one-third sharing arrangement, but it was something like dealing with the Constitution. One will not get unanimous agreement on everything one does, in spite of one's best efforts. We did try to work out a solution to the problem and try to bring forth a piece of legislation that would reflect in a genuine way the best interests of all the producers and the participating provinces. I want to make sure that that impression is clarified.

The hon. member says that British Columbia is against this piece of legislation. That province has had some reservations but it is on board. New Brunswick has had some reservations, but we were working out an accommodation for them. It was not objecting to the principle as much as it was objecting to the fact that it needed some time to phase in the new sharing arrangement. We said that we were prepared to work with them in helping them ease into the new sharing arrangement. Those discussions are ongoing. We are prepared to do the same thing with Prince Edward Island.

This is not the perfect piece of legislation, but there are many players who are involved. We believe that it is a good starting point from which we can build a better crop insurance program on the basis of improvements that may be brought forth from time to time. When the hon. member suggests that this is more off-loading on the part of the federal government on to the provinces, I want to remind him that the share of the federal government's participation is not going down. It is going up. It is up to around $300 million odd this year, and it

will be back to that level in the 1994–1995 crop year again.

The suggestion that this is an attempt to off-load is certainly not accurate. Whatever burden that has been shifted on to the provinces has been taken up by the improvements and the enhancements to the program. We firmly believe that, because crop insurance is a provincial responsibility, they should be sharing more than just simply the cost of administration. They should be sharing at least a part of the premium and equal to, if not more, than what the federal government is providing. I think that that is fair and that is what we have tried to achieve. We have tried to achieve a balance that will provide improvements.

As a matter of fact, the multi-year disaster benefit program, which has just unleashed an additional $100 million or so to those who have had successive crop failures as a result of drought or other weather related disasters, is an add on and an enhancement. We are going to see more of that in this particular program.

The urgency of this is such that we should get along with it and move it ahead. It has had a great deal of public discussion. It does have a great amount of support from the provinces. We have tried to work together with the provinces and the producers, in designing this legislation as best we can.

I know that it is the job of hon. members opposite to try to get more and to identify weaknesses, and I am attempting to respond to them. I can assure them that this is the best possible solution that we can come up with at this time, and I urge their co-operation and understanding. If improvements are needed as we go along, I am sure that we can attend to them in the due course of time. This is a very major step forward and I commend it to all hon. members.

Mr. Laporte: Mr. Speaker, I rise on a point of order. With regard to the rules, I believe that what we should have been doing is having 10-minute speeches with no questions and comment period. I believe that is correct.

As a matter of fairness, however, the agriculture critic from the Liberal party has had a question. I know that the member for Mackenzie has a short question and I would ask the Chair to allow the member to put that question, please.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): This is report stage today, and it is not committee of the whole. Each member should speak for 10 minutes, then we can go on to the next motion. There are two other motions, so it is not that we are going to delete any debate here today.

The hon. Member for Mackenzie.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I am aware that it is report stage. I just note that we had diverged from the rules and, since the minister was taking questions, I wondered if I could ask one.

We listened with great care to his explanations as to why he had to reject my amendment. I believe he said that he had to do this because he had no way of making certain that the share that the province paid would be the same as the share that the federal government paid. I think that he and all future ministers—and we always have to think of future ministers when we are putting bills before Parliament because the bills will last a long time—still have that power under Clause 4(1)(a)(ix) of the act, which he quoted today himself. It permits the minister to set out the elements that are to form part of an insurance scheme established in the province, in order for the scheme to qualify for contributions, including the manner of determining the premiums to be paid under an insurance contract, and the share of those premiums to be paid by the province.

I submit to the minister that his or any future minister's ability to determine what share of those total premiums the province pays is still well protected with my wording. I would ask him again to consider that, since it is in effect guaranteeing that the federal government will be contributing 25 per cent, and since this other clause that I just quoted permits him to extract an equal share from each of the provinces, is it not what we are really trying to do with this amendment that I have proposed? Are we not trying to guarantee that the producers will never be stuck with more than 50 per cent of the premiums?

He has been addressing the equality between the federal and the provincial governments, but the whole reasoning behind this change to the crop insurance legislation was to ensure that producers also had a certain amount of protection. I would like his response as to how he sees the producer being protected if an amendment such as mine is defeated by his members and if the governments, federal and provincial together, choose to pay less than 50 per cent. Where then is the protection for the producer? The producer will have to

pay more than 50 per cent. That was the whole reasoning behind the amendment in the first place.

Mr. Mazankowski: Mr. Speaker, the hon. member, in part answered his own question, inasmuch as the precise share is technically spelled out in the agreements that are negotiated between the federal government and the province. That is what that whole clause outlines.

As far as we are concerned, we ensure that we are going to be incorporating the sharing arrangement of 25–25–50. That will be reflected in each of the agreements that are negotiated. My legal people tell me that that flexibility has to remain within the context of this particular bill to preserve the principles and to maintain the consistency of the act.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I am amazed at the comments just made by the hon. minister. It is very clear that the government is doing nothing more than simply playing politics with the producers in western Canada, at a time when they are in a crisis situation. They need some stability and some certainty from the government. What the government said before is not what it is doing now. In the promotional material that it sent across the country, it is very clear. I have a copy of one of these promotions right here. It states that the federal government will pay 25 per cent of the premiums.

• (1610)

The minister is simply playing political games. There is no assurance for the producers of the country that down the road the federal government will continue to pay 25 per cent. The motion moved by the member for Mackenzie would clarify that. It clearly states that it will be "an amount equal to 25 per cent of all premiums paid". That is very clear. It clarifies and makes certain the position that was put forth by the government earlier. To have this motion defeated will put the producers in a very risky situation. Who knows what will happen in the future?

If the government decides to reduce the premiums to 20 per cent or 15 per cent, who is going to pay the extra amount? It may well be the producers. In fact, until recently, the federal government was paying 50 per cent of the premiums. Now it is down to 25 per cent. The government said it was 25 per cent, but now this bill states "up to 25 per cent". It could be reduced below 25 per cent in the future. The government is doing nothing more than playing politics with the producers across the country. The minister and the government know that.

An Hon. Member: It is shameful.

Mr. Laporte: Yes, it is shameful.

The producers need some assurance. They need the assurance of the government that it is looking after their interests and the needs of agriculture.

The whole rural infrastructure of the country is in a very sorry state these days. The economic infrastructure in western Canada, which is agriculture, is in a very shaky situation. The infrastructure in Atlantic Canada, which is the fishing industry, is in a very shaky situation. What people need in western Canada is some assurances, commitment and leadership from the government. They are not getting it. They are getting games and double-talk from the government. This is not what the producers in western Canada deserve. Furthermore, when producers in western Canada are in difficulty, the whole infrastructure of western Canada is in difficulty too.

In the last few years in the province of Saskatchewan we have seen a falling out of the bottom of agriculture. As a result, we have 14 per cent of people in that province living below the poverty line. That is 14 per cent, which is the second highest number of people living below the poverty line of any province in the country. Only Newfoundland exceeds that. In addition to that, we have lost 28,000 people from of the province last year, a direct loss of population. A lot of that can be attributed to the agriculture economy.

What people need in Saskatchewan and in western Canada is some commitment by the government that it is doing something to help the agricultural economy of western Canada. When the agricultural economy is in crisis, small businesses are in crisis. The general store owner in small towns is in difficulty. The people who sell fertilizer, gasoline, and fuel are in difficulty. The government has not provided the leadership that people in western Canada need. This is just one more example of double-talk and politics. There is one thing the government is very good at and that is playing politics and political strategy. It is not very good when it comes to

helping ordinary Canadians. That is the real failing of the government.

As the member for Mackenzie pointed out, Clause 4 of the bill allows this government and future federal governments to negotiate with the provinces with respect to cost sharing. There is nothing that hinders that ability in the amendment put forth by the member for Mackenzie. His motion simply gives some assurances to farmers and producers of western Canada and across the country that the government is going to commit itself to paying 25 per cent of the crop insurance premiums. It is not asking too much for the government to put its legislation where its mouth is. That is all we are asking. For the minister to stand up and make those comments is an outrage, and it is an insult to western Canadians.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I was in the House listening to the member from Moose Jaw. He kept using the word "politics", and said we are playing politics.

I wish the member would read the wording of the bill under which crop insurance is presently enacted. It is the bill that provides the details and the administrative and legal framework for the agreements which the federal government signs with the provinces. He would see that the wording is very similar to that of the present bill. If he saying that we are playing politics with the bill that is before the House, he is, by implication, saying that we have been doing the same thing for the last 20 or 25 years during which crop insurance has operated.

With regard to politics, it may be useful to look at how various political stripes of governments have treated farmers. My province had an NDP government until two years ago. One can look at the amount of money we spent federally in the province of Manitoba and the amount of money that was spent provincially. I am sure that producers would be interested to know that for the last year in which the NDP was in power in Manitoba, it contributed something like 8 per cent of all the money spent directly to support agriculture, as opposed to the federal government spending 92 per cent.

If the hon. member wants to talk politics, first of all I would suggest that he read the legislation that crop insurance presently operates under and compare it to the wording we have in front of us in the amendment. He would have to admit that it is very similar and that this bill is going to provide considerable advantage to producers that they do not have now under the present legislation. If he would go back and examine again the record of the last NDP government in the province, he would see who was playing politics and who was there for the farmers in terms of support. I will back our Minister of Agriculture's word and commitment to agriculture to anybody and any NDP government from coast to coast in the country.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I was interested to hear the minister admonish the member for Algoma by saying that he had not been in Prince Albert when the discussions on this took place.

I was in Prince Albert, that being my home town. I was not party to the closed door discussions, but I was at the press conference and heard the explanations to the media and other interested parties when the minister announced the agreement which had been reached. There was no hint in the words of the minister at that time that there might be anything less than a 50 per cent contribution from the two combined levels of government or that a possibility existed in the legal framework that by some action of some government, farmers could end up picking up 60, 70 or 80 per cent of the cost of premiums. That was no part of the discussions at all.

The minister knows that he very clearly left the impression that the federal share would be 25 percent, the provincial share would be 25 per cent, and the farmer's share would be 50 per cent. That is very important to hammer home. As the hon. member for Moose Jaw—Lake Centre so clearly said, what the farming community needs is some certainty and security and it needs to get away from *ad hoc* programming. Helpful as it may be from time to time, certainly it does not encourage somebody to go the bank another year to get another loan or young people to get into farming. There has to be security for the farmer.

I am afraid that the government, by rejecting this amendment, creates the impression among farmers that, yes, indeed, agriculture programming is highly political.

The previous member who spoke wanted to make some partisan comparisons. Some may be valid and some may not be. The farming community is becoming cynical about politicians and the basic willingness and good faith of governments to come to their assistance.

• (1620)

I think if the farming community was to become aware of what is happening, it would again reinforce the cynicism that farmers have about governments because what they see is the provincial governments and federal government protecting themselves but nobody protecting the farmer.

The minister might reconsider Section 4 which allows him to set the terms and conditions. If a particular province does not want to contribute 25 per cent, the minister can say under this legislation that, no, we are not going to be part of this agreement and thereby force every province to contribute 25 per cent. The ability to do that is there even if the minister accepts the hon. member's motion.

The minister makes the point that it is his intention, as long as this government is in power and he is the minister to sign 50 per cent agreements, but he might not always be the minister and government priorities change. When you talk to members privately, there are a lot of decisions not made by ministers. For example, the Minister of Forestry has made commitments all over this country about his commitment to reforestation. The Minister of Finance says, "Well, that is not possible. There is not that kind of money".

In future years the Minister of Finance might say to the Minister of Agriculture, "Sorry, buddy, there is not this kind of money available, we are cutting back on the federal share of crop insurance". There is not much that minister could do about it.

If the polls persist and the Conservative's arch enemies, the Liberals, came to power and decided to make some amendments, that could result in a change. You never know. If farmers are going to feel protected through this and the government is keeping faith with them, there has to be a statutory provision. It just cannot be an agreement. It cannot just be "take my word for it today". Farmers need a statutory provision.

It is possible to meet the minister's objectives by accepting this motion. I urge him to reconsider it and have his members support Motion No. 5, the motion put forward by the hon. member for Mackenzie.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am not an agricultural or constitutional expert, but I want to say that the minister brought up the word "Constitution". He talked about the fact that we try to make constitutional agreements. I think what is concerning not only the farmers of this country but people in general is that over the last period the government has basically been on a retreat from national governance, whether it is VIA Rail, unemployment insurance or the Post Office, it has been unloading everything.

As a result, this is a situation here where farmers could face the same exposure. The minister said, "We want to have a 25–25 split with the provinces. But, technically speaking, he is exposing a disadvantaged province because if it cuts back by 5 per cent, then basically what he is saying is that the federal government is going to take its lead from that province. If that is not the case, I stand to be corrected.

When we have so many youths leaving the farms, with bankruptcies and bank managers refusing lines of credit day in and day out, I do not think this is a time for the federal Minister of Agriculture to be in any position where he will have to retreat on something as fundamental as crop insurance.

So I follow other members in this House and ask the minister to make this a statutory requirement.

Mr. Mazankowski: Mr. Speaker, just to reiterate what my colleague, the Minister of State for Grains and Oilseeds said, the wording in this particular piece of legislation is really the same as it was in the existing legislation. The hon. member asked me to keep faith with the farmers. I am keeping faith with the farmers consistent with the legislation that has been in place for the last 20 years; the same principle, same wording, same thrust. What is so different about the wording today compared to the previous legislation? That is what this debate is all about.

The Acting Speaker (Mr. Paproski): On the same point of order, the hon. member for Broadview—Greenwood.

Mr. Mills: The government should just say clearly and specifically that if a disadvantaged province which may not be able to put its full complement of funds on the table has to cut back 20 per cent, it will not follow that provincial contribution in a matched way and fall back as well. That is what I cannot seem to understand. If it would just say that will not happen, then I personally would be satisfied.

The Acting Speaker (Mr. Paproski): I will allow the hon. minister to answer, but we are getting into a debate again on this report stage. We are not going to get past Motion No. 5 today. The hon. Minister of Agriculture.

Mr. Mazankowski: Mr. Speaker, for the information of the hon. member, the record clearly speaks for itself. I appreciate his sincerity and his concern. But when we talk about equality and what the federal government's commitment is to those provinces who have difficulty in meeting some of the challenges in agriculture, my hon. colleague, the Minister of State for Grains and Oilseeds, pointed to these facts. In the province of Manitoba in 1988–89, some $551 million worth of federal assistance went into the agri-food industry for 91.72 per cent of the total assistance in agriculture to that province. The province provided $107 million for 8.28 per cent. That was 1988–89.

In 1987–88, it was a similar figure of $782 million for the federal government, and $70 million for the provincial government. In 1986–87, it was $521 million provided by the federal government, and $67.9 million by the provincial government. If that does not demonstrate the sincerity and consideration of the federal government in dealing with agriculture crises as they occur, I do not know what is.

Furthermore, let me just point this out once again. He is a constitutional expert and he probably understands legislation as well. We are using essentially the same wording in this bill as has been used in the past. There is no difference. The contracts, the arrangements, and the agreements that have to be negotiated between the provinces and the federal government still have to be negotiated in the same manner. We contribute consistent with the criteria that has been established here. Our bottom line is, we are there for 25 per cent of the action. We have been there for 50 per cent of the action before and there were no questions asked about it. We are here for 25 per cent of the action now.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

An Hon. Member: On division.

Motion No. 5 agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 9.

Mr. Vic Althouse (Mackenzie) moved:

Motion No. 9

That Bill C-48 be amended in Clause 8 by striking out line 42 at page 7 and substituting the following therefor:

"Minister, who may for that purpose consult with representatives of such producer organizations as the Minister considers appropriate, and the Minister shall cause a".

He said: Mr. Speaker, during the course of the discussions on this bill in committee, there was a series of amendments which were aimed at providing the minister with the power to strike a consultative or advisory committee to get feedback from farmers and their organizations as to the operations of the crop insurance legislation.

• (1630)

This is, in effect, the most watered down version that we got to. At the committee level most of the members on the government side decided that they had better vote against it until they found out what the government's thinking was. My understanding is that the government now sees that it would, in fact, enhance the legislation, would not harm it at all, and is, I understand, prepared to accept it.

I will not say any more than that. It is simply a matter of permitting the Minister of Agriculture in the future to strike a committee of producers and users of crop insurance across the country so that he or she can better gauge the effectiveness of the program.

I think it is a necessary adjunct to the act. I hope that my understanding that the government will be providing its assent to this motion is correct. I thank the Minister of Agriculture for having accepted it.

Mr. Mazankowski: Mr. Speaker, the hon. member is correct. I think that it is a reasonable proposal that makes sense when conducting a review of the act that producers be given an opportunity to provide input, guidance and advice with respect to future changes.

We assume that this motion provides sufficient flexibility for the Minister of Agriculture responsible to conduct such an evaluation. Certainly we, on this side, will support the hon. member's motion.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to indicate my support for this motion. As the minister indicated, I was not at the Prince Albert meeting of ministers last July. The problem was that many groups, like the Canadian Federation of Agriculture which represents Prairie Pools and other groups, were not there either.

Essentially what we had was a carving up of the pie, with the federal government reducing its input by 50 per cent from 50 per cent of premium to 25 per cent of premium. The province is assuming a 25 per cent premium and the farmer is left with the same percentage, 50 per cent of the premium.

The problem with that is that this legislation is very good in some ways. It brings in the waterfowl coverage and more flexibility. Most of all, it increases coverage in many areas of the country from 70 per cent to 90 per cent. That is very important. The problem is that the premiums go up. For instance, in Ontario the premium rate for a car going from 70 per cent to 90 per cent increases from 2.4 per cent of whatever your coverage is to 6.9 per cent. That is almost a 300 per cent increase to gain a 20 per cent improvement in coverage.

The same applies in Saskatchewan where hard red spring wheat goes from 12.5 per cent to 19.5 per cent. That is why I am delighted, because that represents at least a 50 per cent increase of the premium.

Perhaps, since the minister has indicated that he is willing to have this consultation, we will not have this backroom deal taking place in Prince Albert where the three partners—the provincial government, the federal government and the producers— will be at the table so that there will be more consultation. Although the objectives of the bill are laudable because they are going to provide up to 90 per cent coverage, the premiums are going to go up by 50 per cent to go from that 70 per cent coverage which is typical in the west to a 90 per cent coverage which is what we are seeking to achieve.

In many cases, it is even more dramatic than that. In Ontario, for instance, in winter wheat just to go from 80 per cent to 90 per cent, you have an increase of 63 per cent in the premiums. In corn, just to go from 80 per cent to 90 per cent, you have a 64 per cent increase in the premiums. You end up with a good program, but will farmers take it? Mostly, across the country, farmers are saying that they like the program but the premiums are too high to get that maximum coverage. That is why our proposal to have a tripartite arrangement, as we have for pork, beef and other commodities, would be so much more improved. But perhaps with this consultation mechanism proposed in Motion No. 9, there will not be this kind of backroom deal, with the federal and provincial governments, two parts in the tripartite arrangement, cutting a deal with the farmer left out in the cold and still paying 50 per cent of the premium and ending up with a premium so high and so unfairly cost shared that farmers will not be able to afford the additional coverage.

That is made so clear in the Canadian Federation of Agriculture brief which supports the Prairie Pools. It was made clear by the Canadian corn producers and the Ontario soybean producers. The problem of the whole bill is whether or not we are going to get the adequate coverage.

I want to indicate support from our caucus for this amendment. We have a more formal proposal in Motion No. 10 which would establish a much more formal arrangement for an advisory committee, but I will wait to speak on that a little later.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion No. 9 agreed to.

Mr. Maurice Foster (Algoma) moved:

Motion No. 10

That Bill C-48 be amended in Clause 8 by adding immediately after line 44 at page 7 the following:

"13.1(1) The Minister may constitute an advisory committee on any terms and conditions determined by the Minister.

(2) The advisory committee may be composed of persons designated by the producers to whom this Act applies, of such persons responsible for the implementation of this Act as are appointed by the Minister and of such persons responsible for the implementation of any insurance scheme and waterfowl crop

damage compensation program as are appointed by provincial governments.

(3) The function of the advisory committee is to monitor the efficiency and performance of every insurance scheme and waterfowl crop damage compensation program as well as any matter deemed relevant by the advisory committee.

(4) No terms or conditions determined under subsection (1) shall provide for any remuneration to be payable to any of the persons acting on the advisory committee."

He said: Mr. Speaker, Motion No., 10, standing in my name, is designed to put in place a national advisory committee. We were told in the committee hearings that that was not possible to do, that there were drafting difficulties in this. I have been very careful in drafting this motion to not make it compulsory. It says that "the Minister may constitute an advisory committee on any terms and conditions determined by the Minister". It also sets out those terms and conditions.

We believe that there has to be a better system of safety nets. Crop insurance is one way to get better safety nets. When it comes to agriculture, Canada is not one country, it is at least four or five countries because the types of agriculture that we see in southwestern Ontario are very different from those that we see in northern Ontario, in western Canada, in British Columbia, in Quebec and in the Atlantic provinces. We believe that if you had a national advisory committee on crop insurance that it could lend a great deal of support and assistance to those producers across the country.

• (1640)

We have been very careful in drafting this legislation that it does not infringe on the Royal recommendation, that it does not involve remuneration or other matters which might infringe. A national advisory group could sit down with the minister from time to time throughout the year and would be able to say: "Look, crop insurance nationally is not working because the premium costs are too high". This would have to be canvassed by the various members of the advisory group. If you had a tripartite way of funding, where the farmer would be paying the same amount as the federal and provincial governments instead of the 50 per cent that is proposed in this bill now, it may be that we would get much better coverage.

For instance in the drought year, 1988, corn producers' coverage was something like 30 per cent, or perhaps even lower. Yet they were facing a disaster of tremendous proportions throughout those hot, dry days of June and July 1988.

I believe that this amendment would make this available to the minister. It does not require him to do it because that involves infringing on the royal recommendation. It simply provides a formal arrangement for an advisory group that could meet from time to time.

The minister constituted a task force this winter which is looking at safety net mechanisms. This would put in place a safety net mechanism for consultation on an ongoing basis for crop insurance. Clearly, this is an ongoing demand, an ongoing need, where hundreds of millions of dollars at the federal and provincial levels are spent every year.

There has been some criticism that the administration of crop insurance is sometimes too loose, or that the system is not sensitive enough. This would give us a national perspective where the minister would be able to have representatives from all across the country.

We have known since last November that we have had a demand. Groups like the Prairie Pools have been demanding in the strongest possible terms since last November that the minister bring in a special support program, over and above crop insurance. If he had this advisory board, perhaps he would realize how urgent this is.

The fact that the Premier of Saskatchewan wrote to the Prime Minister last November does not seem to have had any effect. The fact that the Premier of Saskatachewan, a week ago Monday night, went on province-wide television calling for a program of hundreds of millions of dollars of cash flow support, does not seem to have had much impact.

Perhaps if the minister would constitute this advisory group he would see how urgent it is that the government make a cash payment like those that are recommended by the Saskatchewan Pool. We are talking in terms of $500 million. They have been making this request for about four months now. It is essential that payment be made in the next few weeks.

Yet, when officials came here a week or two ago to meet with the Department of Agriculture, they said: "We have not made the decision but if we did make the decision it would be about four months until funds

come". That is simply too late. The assistance is needed before seeding. It should already have been committed and made now. Surely, the minister should move even more rapidly now that we are nearing spring seeding and farmers are trying to put a decision in place.

Last week I met with a group of young farmers who are on the Advanced Agriculture Farm Leadership Program. That was the argument that they put to those of us from the three caucuses, that there is so much uncertainty. Is there going to be a special grains program? Nobody knows. In 1986 it depended on whether there was an election in Saskatchewan and on how that election was going. It depended on whether Grant Devine was doing well in the polls or not doing well in the polls.

Clearly that kind of thing, the total uncertainty as to whether or not there are going to be special payments, is extremely discouraging to young people going into farming. Perhaps if we had an advisory committee to the Wheat Board we would have more certainty that there would be a commitment.

American farm producers have a target price which they get if it is below the world price. They have a loan rate that guarantees them a certain percentage of the value of the crop.

We had something like that until the budget of 1989 when the government took away the Prairie Grain Advance Payment Program which had provided a very minimal kind of arrangement. It was based on something like 50 per cent of the crop value. In other words, for every two bushels of grain you had in the bin you could get a loan on one bushel of grain.

There is tremendous uncertainty in the Canadian agriculture scene today. There is uncertainty in our fruit and vegetable industry. There is uncertainty in the pork industry. There is uncertainty in the dairy industry because of concerns with what is happening with American countervail, with GATT and with access by the U.S. to our markets. We need to have more certainty. I think that this crop insurance legislation could give more certainty if cash flows were not so tight, if commodity prices were not so low. This advisory group is simply to try to pull that together to make the crop insurance system work better across the country.

I would hope that the government and other members in the House might support Motion No. 10, which proposes to provide the mechanism or the legal authority for the Minister of Agriculture to constitute an advisory committee on the Crop Insurance Act.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I wish that my hon. friend could have spent a little more time on the amendment speaking about wildlife crop damage.

As the minister well knows, I have some reputation for liking to go out duck and goose hunting, and I have seen what has happened in a field of grain swaths when about 5,000 sandhill cranes and 10,000 or 12,000 geese get into those swaths. There is not much left to even bother with.

I was under the impression that part of my migratory game bird licence and part of my upland game bird licence, which is under the provincial authority, went into the wildlife crop insurance fund for wildlife damage. I hope that is still the case. I wish the minister would tell us what the situation is at the moment. Is some portion of my $15 or $20 migratory game bird licence going into crop insurance for wildlife damage? It used to years ago and it should be now. I hope it is. I would appreciate if the minister would bring me up to date.

• (1650)

I do not have any problem with the amendment. We can support it, it is not anything mandatory. I suspect that we already have advisory committees from Ducks Unlimited, the Canadian Wildlife Federation and the farm community. I would like to hear whether the minister thinks this amendment is acceptable.

Could the minister tell me what the situation is now on the contributions made by various and sundry wildlife associations or the individual hunters from their hunting fees? Is a portion of that earmarked for crop insurance to cover wildlife damage? It used to be years ago.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I want to speak briefly to the amendment that is proposed by the hon. member for Algoma. He was talking about all the things that the United States has for its farmers. He failed to mention

that the American federal government is proposing to withdraw support of all crop insurance programs. Canada is moving in another direction on that, we are moving to improve crop insurance.

His proposal certainly has merit and I sympathize with it. The difficulty with his motion is that it encroaches on provincial jurisdiction. It goes beyond evaluating the federal act and indeed encroaches into an area of provincial jurisdiction. Such an advisory committee, which would have as its mandate the responsibility of monitoring the efficiency, effectiveness and the administration of provincial legislation, would certainly require the consent of the respective provincial government.

Having regard, however, to the merit that is enshrined within the thrust of the hon. member's motion, I think it would be good use of such a federal-provincial producer advisory committee for fostering a better exchange of ideas, for communication, for sharing information and for looking at the administration and management of the program.

While we cannot, as a federal government, encroach into that provincial jurisdiction, I would be prepared and undertake, as a condition of the agreements, to negotiate with the provinces the establishment of such a committee which could serve the purpose which the hon. member has outlined. In only that way can we avoid the consequence of encroaching into provincial jurisdiction at this particular time. The mandate that the member is proposing would clearly involve provincial legislation as well as federal legislation.

I would be prepared to give the House that undertaking and therefore accept the spirit and thrust of it. However, I do not think we can incorporate it into the legislation itself.

Mr. Foster: Mr. Speaker, I appreciate the minister's comments and sentiments. What he is proposing is exactly what I had in mind when I moved this motion. Essentially it gives the minister legal authority to establish an advisory committee on crop insurance, especially the federal government expenditures in that regard. I have envisaged that he would only establish this advisory committee if and when he had negotiated this arrangement with all the provincial governments. It does not require him to establish this advisory committee, only that he would have the legal authority to establish it after he had negotiated those agreements which provided for that. So if there was one province that did not have crop insurance or did not want to participate, it was not incorporated in its agreement, then of course there would not be a representative from that province in the advisory group.

So just to clarify, I certainly did not want to infringe on provincial legislation. It is simply permissive legislation that would allow the minister to establish this advisory group if and when he negotiated such an arrangement as a combined arrangement from all those 10 provincial crop insurance agreements. I hope that under those circumstances the minister would be able to see his way clear to agree to the amendment.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am pleased to hear the minister say that he accepts the spirit of the amendment. I would just like to reiterate what my colleague from Algoma stated, that this is permissive legislation. It says the minister may do this.

We have had somewhat peculiar circumstances in the past years where, under certain circumstances, crop insurance was not able to cover isolated examples of very significant crop losses. I refer here to a few years ago in the northeast section of Saskatchewan, for example, where they were flooded out. The farmers were not able to plant their crops, and because they were not able to plant their crops they did not qualify for crop insurance. So I think that we have to take a look at that in detail. Also in that same year, at the other end of the province, we had a drought and those farmers did qualify for the insurance program.

I would also like to point out that in my own constituency we had a unique situation in Lambton County a few years ago. We had severe rains during the fall of the year and a bad storm along with it. The lake backed up into the Thedford Marsh. On the other hand, they had to open the dam at Parkhill and a lot of the potato growers were literally wiped out. We have one of them in the gallery with us today from the Wiltse family. He is up here listening to this debate.

They know what it is like when they do not have access to crop insurance through some quirk of the legislation or quirk of nature. I suggest that if we have the advisory committee available to us to co-ordinate the input from the provinces and their various crop insurance commis-

sions, we would be able to alleviate a lot of these problems that arise from time to time.

I also think that the government was wrong, when it had the meeting in Prince Albert, that it did not involve the key players. It is easy for a couple of groups to get together and decide: "We will divide up that 50 per cent of the premium. You take half and I will take half and everything is fine." But I look across this country and see the hardships that those farmers are having this year trying not only to cash flow their crops, whether it is in western Canada or Ontario, be it potato producers or corn producers or wheat producers. They simply do not cash flow and they are being turned down by their banks for their input needs.

Surely if there was ever a need for an advisory committee to look at this and to see how we are going to cover these people if they can get their crops in somehow, it is now. If they do not have the financing from the banks, where are they going to get the money to pay for these premiums?

Witness after witness appeared before the legislative committee that was dealing with this bill. Time after time after time we heard the same thing. They were all requesting a three-way split. But obviously the government did not see fit to go that way because it cut a deal where the farmers and the producers were not involved. That must never be allowed to happen again.

It is for this reason that I strongly support the amendment put forward by the hon. member for Algoma who put a lot of thought into this amendment. This is an amendment that will make sure that the minister has that authority to go ahead and set up a committee. I think he would be sadly remiss if he did not do that.

There are a lot of improvements in this crop insurance bill. Certainly I agreed with the amendment put forward by the minister at the start of the debate today. It helps to sweeten up the bill by including honey in it, but there are a lot of other things that should be improved.

• (1700)

My colleague already pointed out that with the added cost of the initial coverage, in many instances it is going to almost double the cost of premiums. Many of those farmers are simply not going to be able to afford that added cost when they have to pay 50 per cent of the premiums.

It is a good plan but it has to be improved. Those improvements can only be brought about by the direct involvement of the producers themselves through their advisory committees and in consultation with each other and the provinces.

I suggest that there is another area here where that advisory committee would play a very important role. That is to bring about a better understanding between the provinces of the individual conditions which exist, whether it is in western Canada, Ontario, central Canada, Quebec, or in Atlantic Canada where the conditions are entirely different, and different crops are covered. It would bring about a better understanding between the producers of Canada and be able to make this legislation work far more effectively.

Above all, we have to make sure that the consultative process is adhered to before we have any more major changes in this legislation that affect the cost to the producer and that we do not have any more carving up of the premiums between the federal government and the provinces without that full consultation on the process that is suggested in this amendment by my colleague for Algoma.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I would like to point out the thought that was given to motion No. 10. I point out to the minister again that as it has been stated, it is the word "may" that is in there.

As the minister has pointed out to us many times, and I recognize, this is an enabling piece of legislation. If this government could see fit, and I trust that it will, to put this amendment in the bill, what it says to me, and I think I understand correctly, is that if the provinces agree it gives the minister the opportunity to appoint this type of committee.

This type of committee can do many things. We address what it can do in the amendment. We address the make-up of the committee, that it be made up of those who administrate it, those who purchase the program, in other words those who benefit, and those that look after the program in total.

The purpose of any farm program or any program such as this is as a management tool for the food producers in Canada. What this type of committee can do from time

to time, without any obligation by the minister to do anything more than to listen to what they have to say, is to point out the types of things that the witnesses at the legislative committee pointed out.

A program has to be effective. It has to be affordable. Had this committee been in place to review the legislation as we did in the legislative committee, without the confines of the party politics involved, then they would have pointed out to the minister some of the problems of the changes that are being made at the present time. They would also have pointed out some of the good things in the changes in the bill at the present.

However, they would have pointed out that, yes, this bill does give enabling legislation for coverage to go from 70 per cent to 80 per cent, or 80 per cent to 90 per cent. What they would have pointed out is that even though it allows that to happen, when you look at the figures and the reality of what that allows to happen, it is not affordable for the potential purchasers of that insurance program. It is too expensive.

We recognize that when you increase a risk another 10 per cent on the top end, the premiums are going to go up. What the producers asked for in order to compensate for that was that there be a different distribution in the premiums.

I know the minister gets a little upset when we discuss with him the consensus that he talks about that took place in Prince Albert. I will repeat to him how I could see very easily how he got a consensus in Prince Albert.

Mr. Mazankowski: What about that book, too? It was distributed widely.

Mr. Vanclief: It was very easy to get a consensus. There were two out of three parties present at Prince Albert meetings. One was the federal government that was paying 50 per cent of the premium, and it they had a choice to go down to 33 1/3 or down to 25 per cent. Since it was paying, I could see why it wanted to go down to 25 per cent.

I can understand why the minister wanted to do that. They had another party at the table, the provincial governments that were not paying any portion of the premium and they had a choice of going to 25 per cent or 33 1/3 per cent. I can understand why they wanted to stop at 25 per cent rather than going up to 33 1/3 per cent.

However, I point out that there was a third party and they were the producers who had been paying 50 per cent of the premium, but they did not happen to be at the table that day.

Mr. Ferguson: They were not invited.

Mr. Vanclief: No, they were not invited to that meeting. I agree that they had some meetings across Canada. I am sure they were listened to, but they were not heard.

When the minister says that they had a consensus, it is not too hard to get a consensus of two out of three when only two are at the table and the two both agreed to the situation. Rather than being told that there was a consensus, I think he might better come right out and say that there was a unanimous decision. It just so happened that everybody was not there. It is back to the situation, the best committee is a committee of three with two absent. This time the objectors were absent and it was not too hard.

If this type of committee were put in place these types of things could be pointed out to the minister from time to time. The minister said a minute ago that the United States is talking about withdrawing support to any crop insurance program federally in the United States. That may be true. I know that this present government takes a tremendous amount of direction from the United States.

Mr. Mazankowski: Only when you tell us to.

Mr. Vanclief: No, no, not only when we tell you. You take a tremendous amount of direction from south of the border. That is quite obvious and it is becoming more obvious to the farm community every day.

Mr. Mazankowski: So does your premier.

Mr. Vanclief: I would like to point out to the minister that just because it is done south of the border does not make it right. I hope he listens to that and realizes it.

This type of committee could point out to the minister the responses that they gave to us at the legislative committee. We had a group there from the province of Saskatchewan. We all know the problems that the province of Saskatchewan is going through right now. Unfortunately, in the agricultural field they are suffering greater than any other province at the present time because of the weather and the grain price situations,

and everything added to it. It does not matter what the price is. If you have nothing in the bin to sell, it is difficult to make money.

When I asked them in the legislative committee if the changes in this piece of legislation were going to improve the situation, they said that the potential was there to make some improvements. I asked if the producers and the farmers in Saskatchewan could afford this program, and they said no. I spoke to a producer from Saskatchewan last night who advised that in order to go up to the level of coverage that this legislation allows them to go to and which they want, it will increase the premium on their farm from $11,000 to $23,000 a year. This producer said that he cannot spend the $23,000 and he is going to have to take that risk.

The purpose of the Crop Insurance Program is to take some of that risk out. It has to be an equitable program. It has to be an affordable program. It has to give adequate coverage. Some of those criteria have been met.

• (1710)

If there was such a committee put in place, I feel that it would give the minister the opportunity to feel out the sense of what is there and hopefully avoid some of the pitfalls that can occur from time to time, whether intentional or not.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): I believe the nays have it.

And more than five members having risen.

Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

On a point of order, the hon. Minister of Agriculture.

Mr. Mazankowski: Mr. Speaker, I am advised that when you called the question on Motion No. 5, I was involved in a bit of an exchange with the hon. member for Broadview—Greenwood, and that there may have been a misinterpretation on the position that was expressed on this side of the House in that we were opposed to this particular motion. I wonder if you would seek the unanimous consent of the House to go back to the consideration of Motion No. 5 so that the question might be more appropriately put.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Mr. Mazankowski: Since opposition members have won that round, because they have refused to give unanimous consent to go back, perhaps we could agree to move on to third reading. I think that that is a very major concession that has been granted and it might help us in facilitating the passage of this bill.

I want to repeat to hon. members the points that have been made across the way on the motion that has been proposed by the hon. member for Algoma. I say again that I have a lot of sympathy and it has a lot of merit. Again, I went out to make doubly sure and our Justice officials have indicated and advised us that there clearly would be jurisdictional problems with the motion that is being proposed as it relates to the relationship between the federal and provincial governments.

I want to make it very clear that the only reason that we on this side of the House are taking that position is strictly on the advice of our Justice officials. I think that we will be able to achieve the ultimate objective and really put into effect what the hon. member is proposing here in a different way. I wanted to make that clearly understood by all hon. members. Perhaps with those kind words, we could proceed to third reading.

The Acting Speaker (Mr. Paproski): The House will now proceed to the taking of the deferred division at the report stage of the bill now before the House.

Shall I call in the members?

Mr. Foster: Mr. Speaker, while I was interested in the hon. minister's comments on the point of order that he raised, the consultations that have been taking place are along the line that we would defer the division with regard to motion No. 10 and the report stage vote until tomorrow afternoon. I believe the consultations that have taken place are along that line.

In view of that, I understand that the government is disposed to call it six o'clock. If that were the decision, that would save calling in the members today, because I understand there will be an opposition motion tomorrow which would involve an agreement. The House Leaders have been discussing this and have been expecting that third reading would be debated next Monday. I may be wrong. There may be other consultations, but that is my understanding of the arrangement.

Mr. Cooper: Mr. Speaker, part of the problem we are having here is that this has erupted in the last couple of minutes. I have had conversations with members on the other side of the House. I have not been able to have conversations with my own party Whip to confirm his understanding of votes. I would think that with the accommodation that has existed within the House today, perhaps we could pass report stage on division and go from there.

Mr. Foster: Mr. Speaker, my understanding is that the arrangement was that we would defer the division until tomorrow on report stage and that we would go to third reading next Monday on this bill.

Mr. Cooper: I am sorry to cause confusion and difficulty for the Chair. Perhaps the Chair could give us a couple of minutes because we do want to make sure that there is co–operation between the three parties, which is clearly the intention at this moment. We just had to get the right players together. If we could have a couple of minutes that will allow us to resolve it.

Mr. Milliken: Mr. Speaker, there have been discussions between the parties and I think you will find there is agreement that the questions would be put and we will deal with them when they are put. I understand the questions will be disposed of without the necessity of a vote. Assuming report stage of the bill is adopted, as I am sure it will be, we will then adjourn.

In other words, Mr. Speaker, we do not want you to put the yeas and nays on the division.

The Acting Speaker (Mr. Paproski): Would you like me to put the question on Motion No. 10 again?

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Motion No. 10 negatived.

Mr. Mazankowski moved that the bill, as amended, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Cooper: Mr. Speaker, I thank hon. members on all sides of the House for their co–operation this afternoon. May we call it six o'clock.

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.21 p.m.

HOUSE OF COMMONS

Thursday, March 15, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

TABLING OF 1988-89 ANNUAL REPORT

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Madam Speaker, on behalf of my colleague, the Minister for External Relations, I have the honour to table, in both official languages, the 1988-89 annual report for CIDA.

* * *

PETITIONS

GOVERNMENT RESPONSE

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

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

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

WEARING OF DISTINCTIVE UNIFORM

Hon. Pierre H. Cadieux (Solicitor General of Canada): Madam Speaker, I said shortly after my appointment as Solicitor General that I would be examining as a priority possible modifications to RCMP regulations governing the wearing of the Force's distinctive, or red tunic, uniform.

I again said in the Commons last Friday that I was reviewing this complex issue and that I would be making an early decision when I had verified the facts.

[*English*]

Madam Speaker, today I wish to inform the House that I have completed my study of this issue and am now responding to the recommendation of the RCMP Commissioner to amend the RCMP regulations governing the wearing of the red tunic uniform.

First, the amended regulations under the Royal Canadian Mounted Police Act will state that female members will now wear the same red tunic uniform as male members of the force. The design of this uniform will remain the same.

A second amendment permits the Commissioner to exempt individual RCMP members from wearing items of the force's official uniform on the basis of the member's religious beliefs.

Some hon. members: Hear, hear!

Mr. Cadieux: The modifications to the regulations to accommodate religious beliefs squares with Canadian human rights legislation and reflects this government's strong commitment to a multicultural society.

[*Translation*]

But the changes will also encourage Canadians from visible minorities to seek a career in our national police force so that it reflects more clearly Canada's varied ethnic and cultural composition.

[*English*]

Debate about RCMP uniforms has been comprehensive, intense and lengthy. Many strongly held and strongly expressed views had to be considered before a decision was possible. A decision has now been taken. I believe that the decision is not only correct in law but that it is also the right decision to make.

I encourage all Canadians to support the RCMP, not only in these changes but in the leadership it is showing in making policing as a career open to all Canadians.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, on behalf of the Liberal caucus and the Liberal party, I want to congratulate the Solicitor General for taking a decision that most believe was long overdue, a decision that deals with the RCMP dress code regulations, not just in connection with the Sikh turban but deals also with the uniform worn by female members of the force. In fact, it deals radically with the uniform worn by female members of the force.

I cannot proceed further without noting that it took eight months for the previous Solicitor General to make no decision. It took this Solicitor General two weeks to make a decision. I do not know why this Solicitor General is so speedy, but we do congratulate him for making this decision at this time.

• (1110)

Although it is not the most important issue surrounding that decision, I cannot help but point out that as a result of the procrastination of the Solicitor General, and not of the RCMP because they put in their views last June, there have been many things said and done that we in the House would rather not have heard said and done over the last few months.

I should state that there was really a leadership vacuum and instead of leadership we had a debate which hopefully in the long run will be seen as healthy, although in the short run there was certainly some downside. I want to suggest that there may even be a continuing leadership vacuum in other areas here in this Parliament on the part of the government in dealing with bilingualism, minority language rights, and efforts to ensure progress in the objectives of the Meech Lake Accord.

In any event, without overstating that, I want to point out that we have not changed the stetson as part of the uniform. We have only exempted the wearing of the stetson for religious reasons. That particular exemption is completely consistent with our Charter and I believe with the views of Canadians.

We should not confuse that exemption with multiculturalism. Yes, there is a connection, but I do not think this is the same thing. I apologize to any Dutch Canadians for stereotyping them, but this is not the same as allowing Dutch Canadians to wear wooden shoes as part of the uniform in the RCMP. This is a much different situation; this is a religious exemption.

In conclusion, my party is very pleased to support the decision of the Solicitor General and we look forward to all the benefits that will accrue as a result of that decision.

Mr. John Brewin (Victoria): Madam Speaker, this decision, for which we congratulate the minister, has our complete, firm and unqualified support. It is a correct decision and we are very pleased that the minister has made it and announced as quickly as he has.

I know there are many Canadians who are concerned about this and I want to say to them that I hope they will give this change a chance. It is very important for this country that this step be taken.

It should be understood that the change announced by the minister, as he has referred to it, was required by law. Commissioner Inkster, when he appeared before the justice committee last year, explained the rationale for his recommendation. He said that when he was first asked about this in 1984, he stated that it was not a requirement or that it was not even permitted under the RCMP rules. But when he looked at the law, and particularly the Canadian Human Rights Act and the Canadian Charter of Rights, he came to the conclusion that there was no choice, this was a requirement of our law and it must be understood by Canadians to be so.

It is also a tribute to the Sikh community in Canada and to the potential for Sikh Canadians to play a very strong role in our police force and in our armed services. The Sikhs have a long tradition of public service in this area and it is in recognition of this as well that this decision has our support.

Thirdly, this is a very important statement in respect of the government's views and of Parliament's views against racism in this country. I want to pay tribute to the statement made last week by the Prime Minister. I do not often get a chance to do that, but his statement on this issue was a very good statement and one which I

know reflected the feeling of the overwhelming number of members of Parliament and of the overwhelming number of Canadians, and that should be understood.

Those who appeared in certain aspects of last night program on *The Journal* do not reflect the views of Canadians and I applaud the decision that the minister has taken. It is important that he has made this as his first statement of policy in this House. It is a progressive step. He has a big agenda ahead of him and I hope that this will be the first of many progressive statements that he will be making in his new role as Solicitor General of Canada.

* * *

AN ACT TO AMEND CERTAIN STATUTES TO ENABLE RESTRAINT OF GOVERNMENT EXPENDITURES

Hon. John McDermid (for the Minister of Finance) moved for leave to introduce a bill entitled an act to amend certain statutes to enable restraint of government expenditures.

The Acting Speaker (Mrs. Champagne): Shall the hon. minister have leave to introduce the said bill?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 201*)

YEAS

Members

Anderson
Attewell
Blackburn (Jonquière)
Boyer
Browes
Campbell (Vancouver Centre)
Champagne (Champlain)
Cole
Cooper
Corbett
Crosby (Halifax West)
Darling
de Cotret
Domm
Feltham
Gibeau
Gustafson
Hawkes
Hockin
Holtmann
Horning
Hughes
Johnson
Kempling
Koury
Layton
Lopez
MacKay
Mayer
McDermid
Monteith
Nicholson
Ricard
Robitaille
Saint-Julien
Tardif
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vézina
Vincent
Wilbee
Assiniboia)
Andre
Bertrand
Bourgault
Brightwell
Cadieux
Chadwick
Clark (Brandon—Souris)
Cook
Corbeil
Côté
Danis
DeBlois
Desjardins
Edwards
Fretz
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jelinek
Joncas
Kilgour (Edmonton Southeast)
Larrivée
Loiselle
MacDougall (Timiskaming)
Malone
Mazankowski
Merrithew
Moore
O'Kurley
Richardson
Roy-Arcelin
Scott (Hamilton—Wentworth)
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
White
Wilson (Swift Current—Maple Creek—
Worthy—85

NAYS

Members

Allmand
Arseneault
Bevilacqua
Blackburn (Brant)
Catterall
Finestone
Flis
Funk
Gauthier
Heap
Hunter
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Milliken
Nault
Parker
Stupich
Whittaker
Anawak
Bellemare
Black
Butland
de Jong
Fisher
Foster
Gardiner
Guarnieri
Hovdebo
Jordan
Kristiansen
Laporte
MacLaren
Murphy
Parent
Skelly (North Island—Powell River)
Taylor
Young (Beaches—Woodbine)—38

• (1140)

[*Translation*]

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

The hon. member for Louis-Hébert, on a point of order.

Mrs. Duplessis: Madam Speaker, I would like it to be read into the record that if I had been present, I would have voted for the government.

[*English*]

Mr. McDermid (for the Minister of Finance) moved that the bill be read the first time and printed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion? On a point of order, the hon. member for Kingston and the Islands.

Mr. Milliken: Madam Speaker, the bill before us is one to amend certain statutes to enable restraint of government expenditures. In other words, without having seen the bill, it sounds as though it is one to reduce the government expenditures, yet attached to the bill is a royal recommendation.

I want to give notice today that once I have seen the bill and been able to see how it restrains expenditures, I will object to the attachment of this royal recommendation to the bill as an improper use of the royal recommendation.

I think, frankly, the government House Leader has not studied the bill, unless it happens to be one of these Tory tactics of saving money by spending like the GST where we have spent $300 million to collect the tax.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

Before the taking of the vote.

Mr. Hawkes: Madam Speaker, I think there would be unanimous consent to apply the vote taken on the just completed vote to this one.

Mr. Gauthier: As long, Madam Speaker, as we do not get into an extended period of members wanting it to be shown on the record that they just walked in. I know members who were not here at the first vote; if they would be given the chance to record their vote, I would agree to that.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): I do not have unanimous consent. All those in favour of the motion will please rise.

(*Division No. 202*)

YEAS

Members

Anderson	Andre
Attewell	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Chadwick
Champagne (Champlain)	Clark (Brandon—Souris)
Cole	Cook
Cooper	Corbeil
Corbett	Côté
Crosby (Halifax West)	Danis
Darling	DeBlois
de Cotret	Desjardins
Domm	Duplessis
Edwards	Feltham
Fretz	Gibeau
Guilbault	Gustafson
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
Jelinek	Johnson
Joncas	Kempling
Kilgour (Edmonton Southeast)	Koury
Larrivée	Loiselle
Lopez	MacDougall (Timiskaming)
MacKay	Malone
Marin	Mayer
Mazankowski	McDermid
Merrithew	Monteith
Moore	Nicholson
O'Kurley	Pronovost
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Scott (Hamilton—Wentworth)
Sparrow	Tardif
Tremblay (Rosemont)	Tremblay (Québec-Est)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Worthy—90	

NAYS

Members

Allmand	Anawak
Arseneault	Bellemare
Bevilacqua	Black
Blackburn (Brant)	Butland

Catterall	de Jong
Finestone	Fisher
Flis	Fontana
Foster	Funk
Gardiner	Gauthier
Guarnieri	Heap
Hovdebo	Hunter
Jordan	Keyes
Kristiansen	Langan (Mission—Coquitlam)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
MacLaren	Milliken
Mills	Murphy
Nault	Pagtakhan
Parent	Parker
Peterson	Phinney
Skelly (North Island—Powell River)	Stupich
Taylor	Whittaker
Young (Beaches —Woodbine)—43	

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the first time and ordered to be printed.

• (1150)

Mr. Harvard: Madam Speaker, I was involved in an important meeting in my parliamentary office. I just want to tell the House that if I had been here for the two previous votes, I would have voted with my party.

* * *

[*Translation*]

STANDING COMMITTEE ON FORESTRY AND FISHERIES

SUBCOMMITTEE ON FISHERIES—AUTHORIZATION TO TRAVEL

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House): Madam Speaker, I think you will find there is unanimous consent in the House for the following motion:

[*English*]

That the subcommittee on fisheries of the Standing Committee on Forestry and Fisheries, and the necessary staff be authorized to travel to Boston to attend an international seafood show on March 20 to 24, 1990.

The Acting Speaker (Mrs. Champagne): Does the hon. minister have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Routine Proceedings

PETITIONS

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, I am very pleased to present to the House of Commons today a petition under Standing Order 36.

This concerns an environmental issue in the Rouge Valley, 10,000 acres of very precious wilderness area. The petitioners are calling on the Parliament to work with the government of Ontario to establish the Rouge River Valley as a Canadian heritage land or provincial park.

This is a very important issue because of the imminent announcement—

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member.

It is very difficult for the Chair to hear what is going on. I am glad to see the hon. member is now leaving the House, because he was totally blocking the aisle so that the Chair could not even see the member who had the floor.

Had the hon. member concluded her remarks?

Mrs. Browes: Madam Speaker, this is a particularly important issue, because the provincial government owns about 80 per cent of this land. The national Minister of the Environment has visited the area. The Speaker of the House of Commons has visited this particular area, and it is very important that this petition is heard by the members of the House of Commons because of the importance of the timing of this issue.

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have the duty to table 10 petitions today from people who want to tell this Parliament how they feel about the Conservative government's proposal to impose upon Canadians an additional tax on everything they buy, every service they obtain.

This 7 per cent tax proposal is objectionable to many Canadians. These particular petitioners would like to make it known to the House of Commons that they strongly oppose the goods and services tax which is an unprecedented tax grab from the pockets of Canadians that will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unem-

ployment. In these people's opinion, they would like to see this proposal rejected by the Parliament of Canada.

REUNIFICATION OF GERMANY

Mr. Bill Kempling (Burlington): Madam Speaker, I have the honour to present a petition pursuant to Standing Order 36. I think you will find that all parties in the House of Commons agree with this petition.

The undersigned are residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy.

Whereas, the unification of Germany is a concern not only of the two existing German states, France, Great Britain, the Soviet Union and the United States, but also a concern of neighbouring states, Poland in particular; and,

Whereas, history has shown that agreements affecting a given country concluded without its participation lead to instability, and are a source of potential danger; and,

Whereas Canada is looked upon by many countries as the champion of their rights, we are confident that the House desires not only to preserve Canada's good repute among nations, but also to enhance it by supporting the inalienable rights of each country to be an active participant in any gathering resolving matters affecting its interests.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to (a) recognize the present borders between Poland and the German Democratic Republic as the boundary between Poland and any future unified German state as final and inviolable; and, (b) support the demand of the Polish government to be an active participant in any gathering in deliberation where any matters affecting Poland's interest's will be discussed and resolved. As in duty bound, your petitioners will ever pray.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, today, pursuant to Standing Order 36, I wish to table a petition from Chibougamau, Quebec, concerning the recommendations of the Tax Force on Tax Benefits for Northern and Isolated Areas.

Chibougamau is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient as it concerns the Northern tax benefit system. It does not encourage settlement in the North and offers no incentive to develop northern resources.

[*English*]

GOODS AND SERVICES TAX

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I have a petition under Standing Order 36 approved as to form. It is petition from 510 of my constituents with respect to the proposed goods and services tax. It states that "the proposed law would be inflationary, regressive and would reduce the standard of living of Canadians generally."

It is my honour to present that petition.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to table a petition signed by many Canadians opposed to the goods and services tax. They regard this tax as inequitable, unjust, unfair, mean, and completely contrary to their wishes. They call upon Parliament to reject this tax.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is my pleasure to rise under Standing Order 36 to present a petition to this honourable House.

Once again, the petition is against the goods and services tax and, again, added to the thousands of names from throughout my riding and the rest of Canada which I have presented to the House. This particular petition is from various places in British Columbia, including Kitimat and Kelowna.

The petitioners call upon Parliament to reject the current proposal for the goods and services tax, reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, and ensure, if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax, that this reform not be an opportunity for the government to impose a massive tax-grab.

They ask that the government cease with the proposal which will shift the tax burden onto ordinary Canadians through a regressive consumption tax instead of through real tax reform.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, the following questions will be answered today: Nos. 208, 215, and 216.

[*Text*]

MONEY RAISED BY PROCAN

Question No. 208—**Mr. Hughes:**

1. In each of the past five fiscal years, has PROCAN raised money from (a) licence fees (b) royalty fees and, if so (i) what amount (ii) is there a projected amount for the current year and, if so, what amount (iii) what amount of the sums collected goes to administration (iv) in what way are the other funds expended or to be expended in each of the above six fiscal years, including such details as the number of employees and location of employment?

2. In the past two fiscal years (a) what number of sources are there paying licence and royalty fees (b) what percentage of the total fees collected are collected from volunteer or charitable organizations?

3. What amount is raised by the assessment of the basic minimum licence fee?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): 1. i) PROCAN's *raison d'être* is to collect royalties and licence fees on behalf of copyright owners, for public performance of musical works.

Licence fees and royalty fees collected in fiscal years 1984–88 (December 31) were as follows:

1988: $27.5 M
1987: $25.2 M
1986: $24.1 M
1985: $20.5 M
1984: $19.7 M

These include fees, charges and royalties collected in respect or domestic broadcasting and other public performances, and income from foreign royalties and rights. This information is directly extracted from PROCAN's financial statements, that the organization is required to file annually with CCAC. Such information for the year ended on December 31, 1989 is not yet available.

ii) No projection for the fiscal year 1990 is available.

iii) During the fiscal years 1984–88, administrative and general expenses have represented between 19.4% and 22.2% of the total income (which consists almost exclusively of amounts collected plus interest). The percentages for each year are the following:

1988:—19.4% ($5.3 M)
1987:—21.7% ($5.5 M)
1986:—20.5% ($4.9 M)
1985:—22.2% ($4.6 M)
1984:—21.8% ($4.2 M)

iv) No breakdown of PROCAN's administration and general expenses reported above is available. PROCAN has approximately 90 employees located in Toronto, Montreal, Vancouver, Halifax, Edmonton.

2. a) The Department does not have specific information about the "number of sources" nor does it have any information for example on the number of individuals and organizations that remit fees to PROCAN. However, the tariffs in compensation for the right to perform in Canada dramatico-musical or musical works, in respect of which PROCAN is authorized to grant performing licences, must be approved annually by the Copyright Board and are published in the Canada Gazette. In 1989, there were 20 tariffs applicable to various user categories such as television and radio stations, cabarets, clubs, etc.

About 10 per cent of PROCAN's income is from foreign sources.

b) PROCAN does not collect any fees from charitable organizations as this is not permitted under s. 27(3) of the *Copyright Act*, which reads as follows:

> "No church, college, or school and no religious, charitable or fraternal organization shall be held liable to pay any compensation to the owner of any musical work or to any person claiming through that author by reason of the public performance of any musical work in furtherance of a religious, educational or charitable object".

3. There is no basic minimum fee. There are 20 different tariffs each providing for different minimum amounts.

THE PURCHASE OF TWO VESSELS FOR MARITIME COMMAND

Question No. 215—**Mr. MacDonald (Dartmouth):**

Did the government purchase two vessels for the Canadian Forces Maritime Command from Tidewater Inc. or its subsidiary Tidex and, if so (a) what was the total acquisition cost (b) did the vessels contain any limpet-sprayed asbestos and, if so (i) was it completely removed (ii) did the government pay for the removal and, if so, at what cost (c) did the electrical systems of the vessels require any conversion and, if so, did the government pay the cost (d) were the vessels renamed and, if so, with what names (e) have the vessels had any breakdowns or malfunctions during their operation by Canadian Forces Maritime

Command and, if so (i) of what nature (ii) have they been corrected (iii) what amount did the repairs cost (iv) who paid for them?

Hon. William Hunter McKnight (Minister of National Defence): The Government purchased two vessels for the Canadian Forces Maritime Command from Tidewater Inc.

a) $2.75M.

b) No.

c) No.

d) The vessels were renamed: HMCS MORESBY and HMCS ANTICOSTI.

e) Yes.

i) HMCS MORESBY's auxiliary diesel engine burned out due to lack of lubrification oil.

ii) Yes.

iii) The repairs cost $268,819.88.

iv) DND.

SMALL CRAFT HARBOUR INFRASTRUCTURE

Question No. 216—**Mr. Mifflin:**

1. For the calendar year 1989, was capital funding allocated by the Department of Fisheries and Oceans for small craft and harbour infrastructure in each of the seven federal ridings in the province of Newfoundland, and, if so, what amount?

2. Is such funding planned for the calendar year 1990, and, if so, what amounts?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): 1. The Department operates on a fiscal year basis (April to March 31) and data is available on this basis only. Attached are the projected capital expenditures by constituency in Newfoundland for the fiscal year 1989/90.

2. The Small Craft Harbours Capital Works Program for 1990/91 has not been finalized to date. It is anticipated that it will be several months before a final decision can be made on budget allocation and project selection, because assessment of winter damage has not been completed.

SMALL CRAFT HARBOURS

CAPITAL PROJECTIONS

NEWFOUNDLAND PROVINCE

($000's)

	89 / 90 Projections
Minor Projects throughout Newfoundland	1,875.3
Bonavista–Trinity–Conception	4,316.0
Burin – St. George's	2,512.0
Gander – Grand Falls	110.4
Humber – St. Barbe–Baie–Verte	1,460.5
Labrador	445.0
St. John's East	1,826.4
St. John's West	3,890.6
TOTAL	**16,436.2**

[*English*]

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

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement, Government Orders will be extended today by nine minutes, beginning at 1 p.m.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—REGIONAL DISPARITIES

Mr. Robert D. Nault (Kenora—Rainy River) moved:

That this House condemn the government for its failure to protect, support and promote the regional economies of Canada, in order to eliminate regional disparities in the Atlantic provinces, Northern Ontario and Western and Northern Canada.

• (1200)

Mr. Hawkes: Madam Speaker, there have been consultations among the Whips of the three parties. I think there is a predisposition that the vote which is asked for under Government Orders today on the Supply day proceedings be deferred to the close of government business on Monday next. If you were to ask that

question, I think you would find unanimous consent in the Chamber for that deferral.

[*Translation*]

Mr. Gauthier: Madam Speaker, I confirm there have been consultations between all parties. We are agreeable to the vote on today's opposition motion, presented by the Liberal caucus, being deferred until Monday. I would like to ask the government, and perhaps the third party's whip, whether they would agree, considering it is now twelve noon, to let the House sit during lunch time, so that more members will have a chance to take part in the important debate that is taking place today. I give you my word we will not engage in parliamentary tactics that would undermine the harmonious operations of this House.

[*English*]

Mr. Hawkes: Madam Speaker, as long as the third party in the Chamber, the New Democrats, are willing to proceed on the same understanding, we would like to see the debate on this very important issue take place over as many hours as possible. I think members are entitled to a lunch hour. If there are to be no dilatory motions or anything of that kind during the lunch hour, I can see no difficulty in sitting through the lunch hour and allowing more members an opportunity to speak on this very important topic.

Ms. Langan: Madam Speaker, we would agree to that with the understanding that members would have 20-minute speeches to be divided as agreed among the speakers.

Mr. Gauthier: I concur in that, too, Madam, Speaker, except that I think it would be appropriate that members who are splitting their time tell the Speaker before they start their speeches in the interest of good understanding and good debate.

Ms. Langan: We would, of course, Madam Speaker, agree to that wholeheartedly.

Mr. Hawkes: Madam Speaker, just in summary, we are deferring the vote until conclusion of government business on Monday, we are sitting through the lunch hour without dilatory motions or parliamentary tactics during that lunch period and members can split their 20 minutes into 10-minute segments provided they notify the Chair. I think we are in accord on all of those principles. We are happy to go along with those suggestions.

The Acting Speaker (Mrs. Champagne): The Chair agrees that there is a lot of co-operation and the Chair will try to figure out a way to get lunch.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, today, although it is not a great pleasure, I have the opportunity to explain to Canadians what is happening in the regions. I do not think I have to stand here today and explain to people from northern Ontario, the Atlantic region or western Canada what is happening in their regions. My intent today is to talk to the people who do not live in the regions, the larger populations of Canada that live in the large urban centres. I want to explain to them what is taking place in regions like northern Ontario and the Atlantic provinces.

My reasons for doing that are simple. Because we are a small population base in the regions in comparison to the urban centres, we are not paid as much attention to as we would like. The reasons for that are very obvious. Mostly it boils down to politics. When you look at the numbers of seats that are involved in rural Canada versus urban Canada, you can understand why, when election time rolls around, when promises are made, urban Canada tends to get the larger piece of the pie.

There is a bit of a problem with that theme and that is that it is not only unfair but it also causes a difficulty as it relates to what we have seen in the last few months and years in relation to national unity. More and more Canadians are coming forward and saying to us: "We will be damned if we are going to sit here and put up with this any longer. We are going to start to speak out. Our members of Parliament do not seem to be doing anything for us, so we will do it for them".

That is why, Madam Speaker, you have seen certain things take place in the last few months that all Canadians can feel ashamed of, but we can also understand why they are happening.

Let us take a look at some of the things that have happened in the last few years. This is by no means the complete list. I will give just a short list to show Canadians the tremendous difficulties we experience in rural Canada, in northern Ontario, northern Quebec, western Canada and the Atlantic provinces. Because of our lack of infrastructure and lack of development we

need and expect that extra bit of help from the government.

In the last while we have seen cuts to VIA Rail and unemployment insurance, we have seen the imposition of the 15 per cent export tax on softwood lumber which has greatly affected the forestry industry, we have seen the elimination of the Canadian Exploration Incentive Program for our mining industry, cuts in transfer payments which affect our health services and education in the regions, and the threats of cancellation by a particular task force of the northern residents deduction. They have basically recommended a complete elimination of this tax incentive. This deduction improves our ability to encourage skilled labour to move from the southern portions of Ontario to the north to work in areas where there are shortages of skilled labour.

Further, there is the dismantling of regional development programs like FEDNOR and the Western Diversification Fund. When I say dismantling, I mean changes. The programs are still in place. Members across the way talk about FEDNOR or Western Diversification or ACOA or all these great things that relate to the government in power today. But these particular programs have proven, in the short term, not to work.

For example, let me tell you about what FEDNOR has done. I am not opposed to FEDNOR giving grants to businesses, but FEDNOR or regional development programs should be set up for one particular reason, that is to diversify the economy of the regions of Canada that have difficulty competing.

A perfect example of that is FEDNOR. The lion's share of the grants it has given have gone to the tourist industry, which is a very important industry in northern Ontario. One example of the way it distributes money is to give grants to tourist outfitters to add another cabin to their tourist camp. That is not the important mandate of FEDNOR. The mandate of FEDNOR was to help different businesses get involved in the northern economy so we would diversify our economy, not to give handouts so that politicians and northerners would say: "We're happy now. They're appeased. They're all looked after. We are getting what we believe is our share."

Speaking of our share, the amount of dollars that come out of northern Ontario into the pockets of the federal government is enormous. Billions of dollars a year in royalties have come out of the forestry industry and the mining industry. When you look at that in comparison to what we have in development grants and programs, or even infrastructure, it would be an embarrassment for me, as a northerner and as a member of Parliament who represents that area, to say that I think the Government of Canada is doing a good job to improve long-term viability, expansion and the dream of northerners to play an important role in this country.

• (1210)

I will also mention in passing the effects of the goods and services tax that is going to be implemented by this government if it has its way.

Tourism is one of the biggest industries in northern Ontario and the other regions of Canada. Glorified ads are being placed in the United States saying "Come to the regions, come take a look at how beautiful it is in northern Canada." On the other hand, we make it so expensive for those poor tourists that they do not want to come. We have basically priced ourselves out of the market. What a joke that is, Madam Speaker. We in the north have the highest transportation costs because of the price of our gas. The price of gas in the United States and Canada used to be almost equal, but since this government has come into power it has got to the point where even our citizens go across the border to purchase gas because the price is out of sight here.

We have priced ourselves out of the market. For this government to say that it understands tourism is really, for lack of a better word, somebody's cruel way of passing on a joke.

We, as parliamentarians, have to start to look at what effects the programs we are putting in place will have on the regions of Canada as a whole.

I would like to speak on one subject that is dear to me and to all regions of Canada that understand what transportation really means. Our history books taught us that Canada was united by the rail system. This government has taken a perfectly capable and viable means of transportation for the regions outside of the urban areas and dismantled it completely. A perfect example of that is what was known as The Canadian. It used to run

through northern Ontario. I tried to explain to the Minister of Transport that that particular run was the third most efficient run in the whole system, and it was cut.

I asked the minister a simple question. If we consider priorities, and this was one of the most efficient runs we had, why was it cut? I suggest it was for political reasons. Because of the small population base through northern Ontario there are only two ridings, besides the two in Thunder Bay, that run all through northern Ontario, which is one-fifth of Ontario. It is much more politically wise to cut that than to cut something in downtown Montreal or downtown Toronto. The fact is that votes add up to election, and I think it is a shame for a government to run a country based on what is most politically expedient.

If the regions of Canada are to survive and to grow, we have to do something about our infrastructure. I have spoken about VIA Rail but I want to talk about transportation in general. The government takes billions of dollars out of our economies through the royalties that we give to all of Canada for development. We have heard that in New Brunswick there is a difficulty with the road system. Well, if you have ever been to northern Ontario you will know we have the worst road system in Canada. In some cases we do not have a road at all. Two-thirds of my riding has no road. A phenomenal amount of development could take place. If we were interested in creating unity, creating economic development, creating a future for Canada, the opportunity lies in those great regions of northern Canada, northern Ontario.

Yes, it costs money in the short term, but so did the railroads. We lived through that and we watched our country grow. Step two of that agenda is to move to the north. Two-thirds of our country is not even developed yet and we continue to cut and cut instead of looking with a vision of Canada to build that road to the Northwest Territories from northern Ontario in order to start to develop the mining communities and native communities up there that are isolated and have 80 per cent to 90 per cent unemployment and suicide rates seven times the national average because they cannot envision any future.

That is what we are talking about here. We are not talking about dollars and cents. We are talking about vision. The members who represent these regions are getting a little fed up. The Reform Party is a perfect example of that. They are getting fed up in western Canada. They have created another party because the party opposite which said for years and years that it was going to give western Canada a voice in government has become a joke. They have had to create another party and look elsewhere.

As a member of the Liberal party I am not pleased with that either, but I still think there is something wrong. People from the regions realize that we are getting short-changed.

It is time to start talking about fairness and equality. I would like to read something from the Constitution that is important to all Canadians. It says: "We, as Canadians, are in charge of promoting equal opportunities for the well-being of all Canadians and furthering economic development to reduce disparities and opportunities across our country."

I do not think anyone has read that statement in the Constitution lately, especially those members who are supposed to be in charge of representing the regions outside of the urban centres of Canada. I know it is difficult. The minister opposite is probably sitting there thinking that he has really fought hard in cabinet to try to make them understand what goes on in Atlantic Canada.

It is time, if we are true to our electorate and true to our hearts, that we do a little more than scream and yell, that we put some action into play. If it means we have to do something drastic like resign our position or sit somewhere else, then maybe we have to do that. It is high time that the regions of Canada and the potential in them begin to have more attention paid to them.

Let us take a look at the unemployment insurance changes. Nobody is particularly against changes to the Unemployment Insurance Act. However, when the changes affect regional disparities, then we have removed our mandate. We have taken away the part of the Constitution we have just discussed.

One of the biggest problems we face in this country is lay-offs in northern and Atlantic Canada, in these single industry towns with cycles of high and low unemployment because of a dependence on resource based industries. This situation results from cyclical, seasonal employment. Where do you go? The joke of it all is that they say they are going to train the living heck out of us. That is nice. It is great to be trained for something that you know you cannot get a job in because there is no

industry in northern Ontario, the Maritimes and western Canada that relates to that particular training.

If you want to change the system and tell people in Toronto that they can go out and get another job, I could probably understand that. They do have an opportunity, when a plant closes, to walk across the street and at least have a fighting chance. When we lose a job because a mine shuts down or because a mill is gearing down because the price of pulp is no longer the same, as we are seeing in northern Ontario now, where do they go? I am not advocating that they move to Toronto or anywhere else because their families are there. That is where we live and that is where we want to stay. Some of the programs that were put in place by the previous government were there for a reason. They were not a handout as some of the people opposite would say, they were not a disincentive to work.

I would like to see those people across the way who said that in the last few days in the discussion over UI, go to their constituents and say: "You are a bunch of lazy bums and you do not want to work". He or she will not be in their seat very long, I can guarantee that. We want to work just like everybody else. The problem is that we have a lack of jobs, a lack of diversification of our economy. That is what regional development was supposed to provide.

• (1220)

Enter regional development programs. Before I was elected in 1988 I thought it was great that FEDNOR had been created, that the government finally realized that northern Ontario was a region with a problem, that it needed some economic help in order to diversify.

I will not talk in great length about the regional development programs in Atlantic Canada because I know the speakers following me on this side will speak in more detail and with more authority than I on that subject.

A subject that I know a lot about is FEDNOR. The chairman of FEDNOR happens to be a good friend. He is a man in whom I have a lot of faith. He must feel awfully down in the dumps because of what is happening with this particular program.

In the last budget the government decided to play with words. It decided to say that grants were now going to be repayable. Have you ever heard such a ridiculous statement? Repayable grants? If it is a grant, it is a grant. If it is a loan, then it is repayable. Those are the types of words that the members opposite are allowing bureaucrats to use to make it sound like there have been no changes to the regional development programs.

Let's get real. We can read. We may have a lack of diversification, but we do know how to read and we believe the government has given up on us again. It is going to cut those programs to a point where they will have no effect at all. I would have liked FEDNOR to be a tool for bringing secondary industry into northern Ontario, industry that has nothing to do with the resource base we have.

Tourism will be there. Forestry, if we are lucky enough to continue to plant trees, will still be there. Mining will still be there. We need diversification through secondary industry. That is what these regional development programs were supposed to be for, not to give Tory friends $50,000 to add another cabin to their tourist camps. That is ridiculous.

Time never seems to be long enough when I get involved in something that means so much to me. I want to tell you why there has been a lot of disunity and intolerance, especially in places very close to home. These particular communities are just fed up. They have had it up to here. They have elected members of Parliament and that does not seem to work. They have kicked out members of Parliament on the opposite side because they did not do their job and it still does not work. So now they have started to take other measures that are unacceptable.

If members opposite want this country to stay together and be united, they have to start treating all regions of this country equally, they cannot just look at the bottom line of how many votes they can get in the next election.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I listened with interest to the presentation of the hon. member for Kenora—Rainy River. I certainly understand, being a new member in the House only having been elected in 1988, that he has concerns. However, I must remind him that prior to 1984 his party was in power for about 20 years and I cannot remember

when, between 1982 and 1984, it ever once recognized northern Ontario in the manner in which this government has.

The member commented on FEDNOR and the tourism side of it. The hon. member comes from the area of Kenora—Rainy River which is involved heavily in tourism. The member's area received $1.8 million last year and $2.9 million previous to that from the FEDNOR program, but yet he criticizes it. I see where an individual with a machinery company in Thunder Bay states that FEDNOR was of great assistance in supporting him to diversify his operations.

I think this government has recognized the needs and the requirements of northern Ontario. Can he tell this House, in a sincere way, what the policies of the Liberal Party are with regard to diversification in the employment side of Community Futures and the diversification in FEDNOR? During 20 years in government the Liberal party never recognized northern Ontario. Have they all of a sudden seen the light and realized that there is a northern Ontario?

Mr. Nault: Madam Speaker, I am very pleased that the member opposite has had enough nerve to stand up and ask me a question today, after the speech he gave the other night, to which I listened with great interest. Unfortunately, his speech was made under the strictures of closure and I had no opportunity to ask him a question.

I am really pleased that he defended the unemployment insurance cuts to his region when he knows that every person who loses unemployment insurance benefits in northern Ontario will lose an average of 13 weeks. He told me and Canadians in northern Ontario that that is good, that that is an improvement.

He talked about tourism. Let us talk about how exceptional this government is at twisting words around as it relates to understanding what is going on. Here is an article entitled "Tourism suspends support of the GST". This does not come from me, this comes from the tourism industry. This member should know, if he has been listening and watching what is happening, that we in northern Ontario have a big tourist industry.

This article says that another 7 per cent added to the cost of our tourism services will encourage many more Canadians to travel in the U.S. and will discourage foreign visitors. I do not think the government fully appreciates the impact of the GST on the tourist industry and its 60,000 mostly small businesses. Tourism is a trade in visitors and, in fact, is Canada's second leading export industry. We are already running at a $3 billion deficit and this will only make it worse.

The article goes on to say that the association is currently developing a new strategic plan to be more responsive to needs and to provide a stronger voice on Parliament Hill.

There is a perfect example of what is taking place, as it relates to the government opposite. The government does not even know what it is doing to the tourism industry in Canada. The article goes on to say that one has to wonder how business travel is going to help the tourist outfitter in northern Ontario or the attraction operator in Edmonton or Cape Breton. What about the resort sector?

I say scrap the GST, because otherwise northern Ontario will be hurt. That member is the last Tory in northern Ontario. We have noticed that there are no Tories left in northern Ontario. Mr. Trudeau is getting to be a more pleasant man than he ever was before because of what has happened with this government.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, first I would like to thank my colleague for a passionate, caring speech, not only about his constituency but all the disadvantaged regions of this country.

I would like to ask him a very specific question. We have now seen that the government across the floor has a design, and the design is to retreat from national governance. It is the greatest retreat from national governance that we have seen in this century.

Professor Harold T. Wilson has recently published a book called *Retreat from Governance*. He makes the point, after listing all the Conservative cuts—cuts to VIA Rail, unemployment insurance and the programs in the regions—that Canada is doing this at precisely a time when it has become increasingly necessary for a central public authority to govern affirmatively in the interests of international competitiveness as well as national sovereignty.

• (1230)

My question to my colleague is: Does he feel that this approach of Professor Wilson's is valid, and how does it apply to his region?

Mr. Nault: Madam Speaker, my belief is that what this man has said is a true fact. This government has just changed the meaning of the term *laissez-faire*, a term that we used in our history books, to a different type of term which basically means the same thing, that is, getting out of governing and leave the running of the country completely to private enterprise. That will not do much good in northern Ontario because we do not have a lot of companies and a lot of different businesses that can do something to try to get the dollars, the research and development needed or the diversification of the economy in place.

I think the members opposite who do not live in urban Canada but in rural Canada know what I am talking about. If we continue on the route that we are headed, Quebec will not be the only one saying that it is ready to separate. There will be other provinces and parts of provinces starting to say the same thing. If we are not going to be treated equally in this country, if we are not going to be treated as if we belong, and if we are not made to feel like we belong, sooner or later that movement will start not just in Quebec but in the maritimes, in northern Ontario and in western Canada.

What keeps this country together is the fact that past governments believed in national programs, in the equality of all regions. I say to the members opposite that I know there is a lot more work to do, but to ask what did the Liberal government do 20 years ago is not good enough. I say to the members opposite that I was not here 20 years ago. I say to them that they are in their second term now and nothing has happened. I think it is time to change the government and give me a shot at it because I was not here 20 years ago. I am sure I can do a better job than they can because they have not done anything; nothing, except dismantle everything.

Mr. Keyes: They doubled the deficit.

Mr. Nault: They have doubled the deficit, yes. Now they are going to put in place the goods and services tax which again hurts the regions the most.

Mr. Milliken: They cut VIA Rail.

Mr. Nault: They cut VIA Rail, a pet project of ours. I say this has to stop somewhere. This is something that I hear all the time when I am back in my riding. There is already less tolerance in this country, less feeling of being a Canadian. Now it is the dog eat dog attitude of the Conservative government.

If you are doing all right, that is fine, but do not come and bother me and do not expect to collect unemployment. My God, don't do that because that is not acceptable any more. You go out and move somewhere and get a job. Half of Newfoundland is somewhere else now. Do you want the other half to go somewhere else?

Mr. Mills: There is not an ounce of creativity over there.

Mr. Nault: I think what is needed, as my colleague has so aptly put it, is a little creativity and a bit of guts. With that I think we could put this country back together again.

I hope that people will realize that those in the regions that have a small population base are just as important to Canada. That is why previous governments put in place these national policies and national programs. If you are going to start to dismantle them, then we will have to look elsewhere for someone to look after us. We are sure that this particular country called Canada is not worth saving if we cannot treat each other with a little decency and equality.

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, I listened with a lot of attention to my colleague from Kenora—Rainy River. I concur with my colleague from Broadview—Greenwood who said that he gave a very impassioned speech. However, I should like to remind him that a lot of the policies this government has brought in has been as a direct result of a couple of poison pills we inherited from his party—a flawed constitution and a crippling deficit.

Mr. Mills: Name one poison pill.

Mr. MacKay: I just named two fundamental ones—a flawed constitution that left one-third of the country out of the mainstream and a crippling deficit that has caused us to take extraordinary measures to try to cure.

Mr. Keyes: Which you've doubled.

Mr. MacKay: We have doubled the deficit simply because we could not, without taking gradual and careful economic measures, cope with this crippling deficit.

Mr. Keyes: Like the expenditure of billions of dollars during the election campaign.

Mr. MacKay: My colleague opposite should just remember that if he were here as long as some of us he would have watched some of the policies evolve. I remember his present House leader, now the Leader of the Opposition, standing up dripping with sincerity at a time in the 1980s when interest rates were going right through the roof—they were in the 20 per cent range—and saying: "I tell you, if the interest rates don't come down as a result of our policies, I will resign". That is on the record.

I remember the then member for Cape Breton Highlands—Canso, Allan J. MacEachen, saying in 1979: "Vote for Allan J. and the price of gasoline will come down and stay down". As everyone now knows, this was followed by the greatest leap in the price of gasoline that ever happened. This is one of the reasons why we are faced with high energy costs.

Mr. Keyes: Do you want us to start listening to election promises?

Mr. MacKay: We have learned all about election promises from the party opposite, the party that has left this country with terrible, terrible scars which will take probably another generation to heal. What Juan Peron did for Argentina, Pierre Trudeau did for Canada, and history will record this.

I would have thought that my colleague opposite would have come out with a more constructive and a more, shall we say, thoughtful resolution asking us perhaps to reconsider our regional development policies, modify them, even put more resources into them, or perhaps work more closely with certain other agencies. Instead we get a blanket condemnation. Unfortunately that is the style that has been typical of the gentlemen opposite. They have short attention spans. They think that the Canadian people have equally short attention spans and short memories.

My colleague opposite with sincerity talks about a central economic policy for regional development. We had that. We had DREE which was created by Prime Minister Trudeau. Jean Marchand, a very distinguished former member of this House, was put in charge. It did not work.

Then we had DRIE, which particularly in Atlantic Canada became known as the department of ridiculous industrial expectations. It was dry all right because it took about 14 different processes to get anything done.

Then we had other policies which showed everyone that a centralist policy in a country like ours will not work. The tier system that was brought in under DRIE favoured industries to move into southern Ontario, places like Windsor, not into northern Ontario where they were needed.

What has this government done? What we have done is we have brought in regional development agencies, regionally managed and regionally sensitive, so that people across this country who have different economic priorities and different ideas for development can realize them.

Mr. Nault: You cut VIA.

Mr. MacKay: He talks about VIA. You know, it costs hundreds of dollars per passenger to run VIA. If this is the way that the gentlemen opposite want to spend taxpayers' money, that is fine. We think that regional development funds can best be spent on policies that will create work.

Down in Cape Breton we had a white elephant that was costing tens of millions of dollars to make heavy water which nobody could use. There was a lot of fuss when we terminated this particular agency, but at the same time it was not needed and it was a needless drain on the resources of this country.

In Atlantic Canada the Liberal opposition members—and I will speak about Atlantic Canada if I may—refused even to support the existence of this government's vehicle to promote and to foster regional economic development. They voted against it in the House and then they criticized the agency for not doing enough. Some members opposite even criticized ACOA for spending too much money too quickly. That is a switch. Lately we have been hearing some very strange utterances.

I see my friend from Essex—Windsor in the House. When he was campaigning for the leadership of his party—and I want to congratulate him for he did very well up to the third ballot I believe—he was in Atlantic Canada campaigning and I believe that he was advocating that we dismantle ACOA and replace it with some

sort of regional banking system. I do not know what he meant by that. I did not think that the New Democrats liked banks. I will listen to him speak later.

We have the former member for St. Maurice who is now the front runner in the Liberal leadership race talking about going back to the future. He wants to bring DRIE back. When I heard this I went back and looked at an interview he did on *The Journal* with Barbara Frum in 1984. I remembered his rather peculiar ideas on finance and economic development. I am going to read this into the record. I invite members to look it up, as Casey Stengel would say. He was asked: "What about the deficit?" And this was his answer: "If you don't have a deficit to recycle savings, what happens to the money? The money is flowing out of the country. I just want to tell you that the deficit is a very complex instrument in economic development".

• (1240)

This is a gentleman who links economic development to deficits and says that if you do not have a deficit you have no place to put your money, no place to save. This is on the record.

Some hon. members: Oh, oh!

Mr. MacKay: I invite members opposite to look it up and study it.

I wish to give another example of the somewhat negative response that we have been getting on this side of the House when we are trying to do something for a sector of the economy in Atlantic Canada which is having difficulty. I refer to the fishing sector.

We brought forward $130 million as an interim measure, which we announced in December, to deal with this very serious situation. What we got was a diatribe of condemnation from a party which, from 1980 to 1984, only spent an average of $185 million in total for economic development through DRIE. Yet it pours scorn on $130 million as an interim measure for one sector.

There is an awful lot of insincerity and a lot of rhetoric instead of some constructive suggestions and some thoughtful moves that perhaps could be put forward by our colleagues opposite which I certainly would appreciate and listen to and, if appropriate, act upon.

When the Prime Minister correctly noted that the economy of Atlantic Canada was performing better than expected, and that the over-all economy had improved considerably—and this is an undeniable fact—despite the serious problems in the fishery sector, again the Liberals ridiculed this particular statement. This type of reaction only contributes to the perpetuation of the negative image about the economy of our region. It really does not deserve this; it deserves better. Statements like this one have the potential to impact negatively on investors who are about to expand their present enterprises or come there with new initiatives to start. I would urge members opposite not to be so vitriolic in condemning the efforts of this government to help their particular regions through these regional agencies. It does not do anyone any good. It impacts on the public image of the region, and it is counterproductive.

Thankfully investors have not been listening to this kind of diatribe and this kind of negative publicity. As a matter of fact my colleague opposite, the member for Kenora—Rainy River, spoke about national unity. It was interesting to me to see a Gallup poll featured—and I think my colleague from Cape Breton Highlands—Canso may have seen it—in the *Halifax Herald*. It was a front page story last week stating that the Gallup poll taken in Atlantic Canada sampling Atlantic Canadian's feelings about the economy, the future and so on was the most positive in any area of Canada, which left the pundits rather puzzled.

Mr. Arseneault: Because there are more Liberals in Atlantic Canada.

Mr. MacKay: If there are more Liberals in Atlantic Canada, perhaps they have greater reason to be thankful for what this government has done and they feel better as a result of the new policies that are being brought in. That probably does account for it. Now I have the answer, and I am very grateful for that.

Mr. Arseneault: There is hope for the future. They know we are going to form the government.

Mr. MacKay: They are going to form the government some time after the year 2000, perhaps.

New Brunswick headed this country last year in the number of new businesses created. I am sure that my colleagues opposite and on this side of the House will applaud those statistics.

Nova Scotia business surveys indicate that a third of the businesses interviewed said that they intend to increase their capital investment in hiring this year. More than half of them were optimistic about economic prospects in the future.

Furthermore, unlike what members opposite would like us to believe, as I mentioned to my colleagues opposite, this recent Gallup poll reveals that Atlantic Canadians are the most optimistic of all Canadians about economic prospects for their region. Obviously there is a high degree of approval for what ACOA has been doing.

I could list a great many of the positive things that ACOA has been doing. I do not intend in so doing to say that ACOA is perfect, that it is a panacea for what we need in Atlantic Canada.

Recently in Prince Edward Island I noted in the announcements of two large potato plants the optimism and the enthusiasm that is permeating the economy there. I also attended the recent official opening of the P.E.I. Food Technology Centre which will place Prince Edward Island at the forefront of food science and technology in the country. I saw a lot of happy people on this occasion who realize that this government, working with their government, is doing a great deal through ACOA, through regional development, to give Prince Edward Island a leading place in technology.

Like most Atlantic Canadians I am also optimistic about the future. However the size and strength of the private sector in that part of the country are smaller, as my colleague opposite has pointed out. That means that the national government in the name of national equality must provide some special support to areas like ours. There are regions in this country that need special attention. Putting a monolithic economic development policy in place with all the attendant encumbrances and bureaucratic delays has been tried by the Liberals. It just did not work. The results are there.

It was a recognition of precisely this sort of fact which led our government to establish the Atlantic Canada Opportunities Agency with a mandate to assist small and medium sized businesses. Since its creation less than three years ago this agency has approved over 8,500 projects. It is approving them at a rate 10 times more efficiently and quickly than DRIE did, this central agency that was run out of Ottawa by the bureaucrats.

Over $600 million has flowed into Atlantic Canada through the action side of ACOA and leveraged nearly $2 billion worth of investment from the private sector. Projects assisted by ACOA have created nearly 20,000 jobs and maintained another 20,000. Some 800 new businesses have been started, and half of these have been by first time entrepreneurs.

ACOA has made a decent and reasonable impact on the problems of Atlantic Canada. It is not perfect, but it is doing an awful lot better than its predecessor did, which was the brain child of my colleagues opposite. It is not a panacea for this region, but what would the opposition parties do? Many of them would dismantle ACOA. What are they going to do with it? It is like the GST. They are against it, but what are they going to put in its place? Is it back to the future, back to old DRIE and DREE, or will we have a new one called DRIFT? That is what Atlantic Canada was doing under the Liberals; it was drifting and drifting badly.

I wanted to put some of these numbers on the record because I am getting weary of the small minds and big mouths of political opponents with nothing but bad things to say about what is going on in Atlantic Canada. Nothing could be further from the truth than this resolution that our government does not care about the regions of this country. Nothing could be further from the truth.

When we came to office federal spending in regional development was averaging only $185 million a year in Atlantic Canada through DRIE. Our government has increased that to a current average of $400 million and more per year.

Mr. Mills: How about special recovery programs?

Mr. MacKay: That was SCRAP, a Liberal program, and it was scrapped all right. It became a great big boondoggle. Let me tell you about one of the Liberal initiatives that I remember very well, and my colleague from Halifax will remember it even better.

It was called MAGI, Metropolitan Area Growth Investments. It was touted as a great example of Liberal ingenuity—seed money.

An hon. member: It was ingenuous.

Mr. MacKay: It was ingenuous because the then Premier of Nova Scotia, the Hon. Gerald Augustine Regan, could not agree with his colleague who was then the Minister of DRIE, the late Don Jamieson, about who should become the chairman of this great new Liberal agency. There was a defeated Liberal cabinet minister named Scott McNutt who I believe is still alive. This held up the use of this agency for years.

Finally, Madam Speaker, do you know what the Liberals did with the millions of dollars that was put in there to help develop the economy? They bought a German cruise ship, the *Mercator*, which became one of the biggest scandals in Nova Scotia. That was economic development as practised by the Liberals in Nova Scotia. Naturally the ship sank just as their government sank. It will be a long time before we see regional economic development Liberal policies in Nova Scotia again.

ACOA while not perfect is doing exactly what it was designed to do: to promote entrepreneurship and co–operation with provincial governments and other institutions, to foster regional economic development, to work closely with other federal departments to ensure that their policies and programs assist our own efforts and, finally, to advocate the regions best interest here in Ottawa and elsewhere in the country on activities such as federal procurement.

• (1250)

For example, ACOA was recently instrumental in getting the Sea Sell promotional campaign sailing again for tourism. It successfully lobbied in favour of Cape Breton's Micronav project which landed a huge contract to manufacture microwave landing systems for Canadian airports.

We are also presently actively involved in finding solutions to difficult economic conditions in regions such as the Summerside area, northern New Brunswick and the numerous towns and villages affected by fish plant closures in Newfoundland and Nova Scotia.

A few weeks ago I announced the new elements of ACOA's action program and changes to the levels of assistance provided. These modifications were based on consultations with business organizations last fall and in response to recommendations from numerous sources, including the ACOA advisory board and officials at all levels of government and business communities.

Under a new supplier development element, ACOA will pay up to 75 per cent of eligible costs associated with bid preparation and 50 per cent of eligible costs of other related activities. In the area of marketing development, which is so important in Atlantic Canada, ACOA will provide up to 50 per cent of the cost of such items as design, new package development and promotional material. Assistance will also be available for up to three years toward the salary of qualified marketing personnel to implement a marketing plan.

To enable ACOA to invest in larger projects, the agency can now make direct contributions to projects up to $10 million in eligible costs. The previous ceiling was $200,000 in eligible costs. We had to do this, as my friends opposite know, in response to our share of deficit reduction last year.

These contributions and other modifications are aimed at easing the burden of project financing for businesses and for other innovative enterprises. ACOA has assisted, I believe, practically every university in Atlantic Canada. I have a list here. It would probably take me 20 minutes to put them all on the record. My friends from Atlantic Canada know that is true. Whether it is St. Francis Xavier, Memorial, Acadia, or University of Moncton, all these universities have benefited from funds for research and development and other causes that ACOA made available.

I want to respond to my colleague opposite in a spirit of charity and understanding. Like me, he comes from an area where there are tough times. He knows that there are certain industries that need help and certain industries that are doing very well, but as Abraham Lincoln said: "You don't strengthen the weak by weakening the strong". Those industries that are doing well in our regions are providing a lot of spin–off jobs and an inspiration to others to emulate.

I believe the Prime Minister summed up the situation, at least in so far as it applies to Atlantic Canada, in Halifax last week when he said that ACOA is an integral part of our blueprint to increase economic prosperity in the country and to enhance Canada's international economic competitiveness.

With the extraordinary economic opportunities the free trade agreement now offers to Atlantic entrepreneurs, ACOA will continue to play a strategic role. I believe that ACOA, along with FEDNOR and western

development will provide a very special and much needed role in the country. It is an improvement over an old centrally dominated economic development policy.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I listened with interest to what my hon. colleague from Nova Scotia had to say. As usual he is emulating the example of his colleagues on that side of the House by blaming the troubles they face in government on the Liberals that preceded them. They still have not taken responsibility for the difficulties the country is experiencing after six years of their government, particularly in Atlantic Canada. While Atlantic Canadians may be optimistic about the future, they are not terrible optimistic about the present, particularly with the decisions this government is providing them.

I should like to ask the minister about the changes he recently announced under ACOA, the agency that is supposedly delivering the federal government's program for regional development in Atlantic Canada. As we know, it got a flying start in 1987, just before the election, with the Prime Minister announcing a $1 billion program over five years. We were told it would create all kinds of jobs in Atlantic Canada. The government spent the money very quickly, up until the election. After the election there was suddenly a new parameter which was the deficit and ACOA had to be reprofiled.

Since the election the rules were tightened very fast. Recently, the minister again changed the rules. I should like to ask him whether there is going to be any new money to allow businesses to take advantage of the more flexible rules for business assistance in ACOA. Or, is the reason for increasing the project limits and making the other changes in the rules really because with the changes made in 1989 the rules were so tight that businesses could not take advantage of them? Therefore, this opening up of the rules that we heard about following the budget was merely an opportunity to spend. It would be terribly embarrassing for the government if the rules were so tight that Atlantic Canadians could not spend the money available to them.

Mr. MacKay: Madam Speaker, I am glad to respond to that very constructive question. I want to tell my colleague opposite, as he probably knows being a keen student of regional development, that about 80 per cent of the assistance or grants, if you will, for small business entrepreneurs in Atlantic Canada were for amounts under $100,000. There were some very large projects that took up, however, quite a large percentage of the total amount of moneys available.

We reassessed this situation and decided that we were able to bring up the levels of the assistance for some larger projects to about $10 million. However, the original $20 million level was always there for projects of exceptional merit, innovation and so on.

What I want my colleague to understand—and this gives me a chance to put it on the record—is that when ACOA was created and when the action program was announced, there was an important element often forgotten in the aftermath, that is, that we still proceed to sign co-operation agreements, which is a sobriquet for ERDA agreements, with the provinces. We have signed over 20 of them. I believe a larger amount of money has flowed out, although it is approximately the same in macro terms, under these kinds of economic assistance options for the provinces than there has under the action side.

We have a double approach here. As he knows, over $100 million has flowed into the tourism sector in Atlantic Canada, but this is without prejudice to signing co-operation agreements with the provinces for tourism projects, if they so wish.

I want to assure him that we do not need any new money at this time. The original amount of money that was allocated is ample for our needs under present circumstances. There is over $600 million committed on the action side and more than that on the co-operation side. Over the next few years the money is flowing out as projected.

I realize that some people have suggested that there was too much money allocated too quickly, but how else were we going to get this money into the economy where it could start having an effect on Atlantic Canada? It has had an effect. I think the member will concede that it has had an effect. There are many, many more thousands of people working in Atlantic Canada today than there were in 1984. This is true all across the country.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, first, I should like to congratulate my colleague from the Liberal Party, the hon. member for Kenora—Rainy River, for introducing this resolution. I whole-heartedly

agree with it. I heard his speech and I think he was very sincere in what he said.

• (1300)

Nevertheless, we in northern Ontario have been waiting 25 or 30 years for direct assistance from both Tory and Liberal governments. We believe that DRIE, MAGI, ACOA and FEDNOR are just acronyms and euphemisms for doing nothing. That is what the people from northern Ontario feel about both governments that have been in power. It is a forgotten area, along with eastern Canada and sections of western Canada.

We talk about the Community Futures Program, grandiose announcements, and its millions of dollars. After investigation, there are so many hoops to go through with community futures that most applicants—and 10 per cent of them are approved eventually—get so frustrated with the various hoops of getting approval in northern Ontario, getting approval in Toronto, and getting approval in Ottawa, and then, with a snap of a finger, the application may be turned down. As a result, people become frustrated. I am glad to say that we got the people together in Ottawa and asked if the government understands what is going on. We have had to restructure the whole program.

The minister is a good man, and I think he cares. But he is lost as to what is happening out there. The minister has to get out there into these areas to see the reality of the situation. It is best to cite a current example as to what is going on.

We all remember the FBDB scare with the funding of strip clubs across the country in the amount of $17 million going to 38 strip clubs. The reaction of the government to that is that it has to be extremely careful. It has reacted on the radical side of things. There was one application to FEDNOR and FBDB to have moneys for reconstruction and renovation of a hotel or motel in my constituency. Last year the hotel had one program which might have been called, perhaps, not appropriate. Both funding agencies state that their programs are being reviewed and anything sexually explicit or exploitive will no longer be considered. It is another way of saying that they are cutting off funds. I have been asked to write letters stating that this particular application will not endanger the moral fabric of my community. It is absolutely laughable. I am wondering if the agency should be concerned about impure thoughts.

I want to ask the minister if there is one positive thing he feels his government is going to do for northern Ontario that does not have all these strings attached and all these hoops that we have to go through? Is there one positive initiative about which he can say: "Here you are, here are some funds, deal with it"?

Mr. MacKay: Madam Speaker, I gather what my colleague opposite is asking for is a heavier emphasis on grants, outright contributions. We are doing this to some extent in Atlantic Canada in recognition of the fact that in some cases it is appropriate to do so. It may be appropriate to look at this policy in northern Ontario, but that is something that my colleague responsible for that agency can consider. The member can make those representations to him.

The member makes the point which I tried to make, however, that there is that kind of flexibility. If, in fact, that is a good thing to do, then it is possible to do it. Should the Western Diversification Agency decide that it wishes to take a different approach in developing their economy, it can do that too.

I know that there is a temptation—and those of us from disadvantaged regions are often subject to it—to give as much money as one can to every possible enterprise that seems to have merit. Again I hate to resort to cliches, but any government that is big enough to give you all you want, eventually is big enough to take all you have. There has to be a happy medium.

The most positive thing we have done in regional development policy is to bring in that element of flexibility so that members opposite, like my hon. friend, can make their voices heard and the possibility is there to give effect to what they wish to do.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have to first thank the minister for his kind words of what is becoming a dim memory for me, the leadership campaign of last year. It is a memory which undoubtedly will grow rosier as it grows dimmer.

The minister talked about white elephants. I think that the approach of the government to regional development is based, not on white elephants, but pink elephants. There is an expectation and belief that somewhere over the rainbow there is going to come this

great solution and explosion of benefits for poorer parts of our country.

It is a pink elephant approach which has been there in, for instance, the discussions about the free trade agreement. The free trade agreement was going to tremendously benefit the regions of the country. Try telling that now to western fishermen who have seen the consequences of that deal for their access to the fish.

It is there even in the context of the GST, believe it or not. There are ministers who said before the finance committee, of which I am a member, that the GST is going to even things out so tremendously across the country, that this will benefit the Sault Ste. Marie's and the parts of Atlantic Canada and western Canada that are feeling the inequalities at this stage.

I do not think that any of these pink elephants are any more real than they were in the dreams that we might have had as kids. Instead, we have to look at the realities. The realities are, first, a tremendous lack of consistency in government policy on regional development; second, a serious set of cutbacks in support for regional development right across the country; and third, a series of economic attacks which are taking place—some of which the government is not responsible for and some of which they are—across the country which are making the regional development crisis in Canada much more serious.

Let me talk about a few of these things before trying to suggest some of the solutions that we as a party would put forward. In talking about lack of consistency, the minister himself in his answer to my colleague from Sault Ste. Marie has demonstrated the lack of consistency that we have to regional development across the country.

In the case of Atlantic Canada, for instance, there are grants, as the minister knows. In the case of western Canada, under the Western Diversification Fund, there are no grants. In the case of FEDNOR, it is not entirely clear what the situation is. It continues to be extremely ambiguous.

The consequence is that any company attempting to make choices on the basis of regional development incentives as to where it will invest is faced with a patchwork quilt across the country where one part of Canada which is regionally hurting has a different set of benefits than another part of Canada which is hurting just as badly. That is a lack of consistency which I do not think can be justified. The minister makes a good case for the flexibility of separate agencies, and it is a case with which I agree, but those separate agencies have to be in some sense consistent in the application of the criteria which they apply. There can be flexibility to take account of local circumstances but, if the flexibility is so great that this patchwork quilt exists, then the disadvantages for certain poorer parts of Canada are simply not fair.

• (1310)

I suggested secondly that, in fact, we are talking about some significant cutbacks which have hit regional development in the country. In looking at the most recent budget and the estimates for the coming year, we can see at least one element of consistency in the government's approach to regional development: the consistent cutbacks which have taken place from agency to agency.

Look, for instance, at the Atlantic Canada Opportunities Agency. I have their estimates in front of me. There is a net decrease of $39.3 million of a total budget of just over $300 million. So, in fact, we are looking at a decrease in that case of over 10 per cent. It is the second straight decrease which has occurred in the allocations to this particular agency, despite the problems that are so evident to everybody in Atlantic Canada today.

There are all sorts of bookkeeping shifts which are taking place, such as shifts of some sets of grants from ACOA to other departments, which make it difficult to determine whether we are talking about a 10 per cent decrease, or a 15 per cent decrease or a 5 per cent decrease, but there is no question that we are talking about cutbacks—

Mr. MacKay: Not this year.

Mr. Langdon: —and that is not fair to people in Atlantic Canada and it is not fair to our country. Our country needs the sense that we are working together.

Look at the estimates of the Western Economic Diversification Program. We again see in the case of those estimates a net decrease of $1.4 million. We also see that the stretching out of the timetable for allocation

of the $1.2 billion that was originally given to western diversification is itself being stretched out from five years originally to seven years now. We are talking about far less per year in the context of western diversification. Of course, the actual expenditures which are taking place are significantly less yet.

In looking at the various ERDAs, the Economic and Regional Development Agreements, massive cuts are occurring with respect to them. There is a whole set of ERDAs which is expiring across the country. There are two in Nova Scotia. Again, there has been no commitment to renewing these. There is one in New Brunswick for industrial development with no commitment to renewal. There are three in the case of Newfoundland and no commitment to renewal. There is one in the case of P.E.I. and no commitment to renewal. There are two in the case of Ontario, one for mineral development which is important in northern Ontario and again no commitment to renewal. In the case of Quebec, there is a total of 10 of these ERDAs for hundreds and hundreds of millions of dollars. They are expiring this year and again there is no commitment to renewal. Similarly with Manitoba and Alberta. In the case of British Columbia, again, there is a total of eight ERDAs, some of them massive. One is for $300 million for instance for forest resource development which is absolutely crucial not just to British Columbia but crucial to conservation in the country. It is absolutely crucial to dealing with things like the greenhouse effect around the world and there is no commitment to renewal of this $300 million ERDA.

In Ontario and Quebec, we see that again there is a total decrease in regional development assistance of just over $10 million in those areas. So, as I said, there is consistency, but consistency in terms of cutbacks.

As we look across the country, it is not just the activities of these agencies and the fact that there are cutbacks which is causing the crisis in regional development. It is a fact that in the Atlantic fishery we are seeing massive destruction of opportunities for people and communities right across Atlantic Canada. In the western fisheries, we are seeing a set of developments which will severely damage, if not destroy, the processing industry right up the western B.C. coast. In northern Ontario, we see tax changes with respect to mineral development and the potential for fast write-offs which will hit mineral development in every constituency in northern Ontario.

In the western farm crisis, even Conservatives admit that real incomes in the province of Saskatchewan this year are going to be cut to a negative level in the farm sector. We are not talking about penny ante reductions and squeezes. We are talking about devastation. We are talking about crises that could wipe out western agriculture.

In the constituency of Prince Albert—Churchill River, which my colleague represents, for instance, farmers are desperate to look at the whole question of planting for this farm season. There is absolutely no commitment from this government to assist with those planting costs.

It is absolutely shameful that those kinds of inequities and inequalities should exist and that the government has not moved on them by this stage. It is as if in my community the entire auto industry were to shut down or, in your community, Mr. Speaker, the entire steel industry were to shut down. We are talking about absolutely massive devastation to which the government is not responding.

• (1320)

That is at the heart of what should be serious regional development action on the part of this government. Instead, what do we see? We see UI changes which are hurting the regions, not helping. We see VIA Rail cutbacks which the minister now defends when, if my memory does not serve me wrongly, he in fact was one of the leading proponents of saving VIA and electing a Conservative government in 1984 that would see to it that there would never be a cutback in Atlantic Canada for VIA ever again. This has taken place right across the country.

We see air deregulation which again is hitting regions. We have seen parts of northern Ontario in the past few weeks which have had their air service severely cut back. That is thanks to deregulation. It is true there are many more flights between Ottawa and Toronto and between Toronto and Montreal. But where there are not more flights is in the regions of this country.

Mr. Butland: The fares are up.

Mr. Langdon: In fact, the fares are up. The expenses people have to pay to travel are up.

So we have to take a different approach. We have to take an approach which does not try to blame the Liberals for the failures of the past, as the minister has done, and somehow imply that therefore they are re-

sponsible as well for the failures of the present. It is almost six years after the election of this government.

I am sure when the minister campaigned in 1984 he would never have said: "Give us six years and I am afraid we won't be able to have put things right". I am certain he would never have said: "Elect us, and I am sorry we won't be able to do anything for you because of Pierre Trudeau". I am sure he told people: "We have ideas. We have solutions". They have not come forward.

Our regional development and equities in the country are greater than they were in 1984. I say it with sadness as somebody from Ontario, because even in my region of southwestern Ontario I see that the regional development problems we face are starting to get worse. That is thanks to the actions of the government.

What do we have to change? We have to change the interest rate policy in this country. We cannot have interest rates running at 13.5 per cent, when right across the border from us in the United States, as the Minister of Finance himself admitted last week, the interest rates are almost five percentage points less.

At the very least, we have to see to it that in poorer regions of this country we bring interest rates down to a competitive level so that small businesses can make a go of their ideas and initiatives. We can do that. That is why I suggested, as the minister noted, setting up regional development banks in the different poorer parts of this country. They would have as their goal offering low interest loans and working with entrepreneurs and small business people to see to it that those small business people themselves could take an initiative, create jobs, and establish opportunities for their areas. Establishing those kinds of regional development banks should lead us to a joint initiative on the part of government and business within the regions.

The Acting Speaker (Mr. Scott (Hamilton—Wentworth)): Order, please. I regret to inform the hon. member that his time has expired, but if he can wrap it up in about 30 seconds, then we can go to questions and comments.

Mr. Langdon: Thank you, Mr. Speaker. I will wrap it up very quickly.

As well as these regional development banks, we need community development funds that will provide support for communities themselves to take action and support that is much great than the Community Futures Program. That program is very small and very difficult to access. We have to stop giving our grants and our support in poorer parts of this country to foreign-controlled businesses that are attracted just by the gravy and then leave. We should see that at least half of all of the support we give goes to local small businesses. If we did this, I think we would provide hope to our regions and, by providing hope to our regions, we would give tremendous hope to the country, which is just as important.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I want to thank my colleague opposite for taking a very wide-ranging approach to this particular debate. I am sure it comes as no surprise to him that I do not agree with most of what he said, but I would like to ask him a brief question and maybe make a couple of comments.

Among the positive elements that he sees in regional development is the headquartering of the agency in the region that it is designed to help so that decisions can be made locally, by local people, with input from local businesses. I would like him respond to that.

Very briefly, I would like to say to him that, (a), regional development assistance, as far as Atlantic Canada is concerned, is not cut this year. It may appear to be the case because of some bookkeeping, as he describes it, where funds are transferred from one department to another, but I assure him that it is not. And, (b), he made reference to macro-economic affairs such as employment and interest rates. He knows, if he is fair, and I know he is, that considerably more than 1.5 million jobs are in existence now than were in existence when we came into office.

He spoke about assistance to large companies. I know that he is very fortunate to represent a constituency where General Motors, Ford, and some very large American multinationals have decided that they should set up their headquarters in Canada. I am sure that he recognizes, if he is fair, the importance of foreign investment and foreign participation in Canada's economy by large foreign corporations. After all, they provide

jobs. If they are good corporate citizens, it is difficult for them to take their factories home with them.

He made reference to economic development agreements not having any commitment for renewal in Atlantic Canada. That is simply not true. I want to assure him that we have signed economic development agreements of various types with every Atlantic province. I have two full pages here that I can show him, detailing them. In forestry, every Atlantic province, for example, has a sectoral forestry agreement. My colleague, the Minister of Forestry—and this government is the first government to recognize the importance of forestry by making it a full ministry—is working very closely to make sure that these elements that my colleague talks about for long-term development, silviculture, forest management and a better approach to preserving this resource, is taken.

I just want to say that really what we have here, I guess, is an agreement to disagree. My colleague represents a party of democratic socialism which believes in ever-increasing government involvement in management. We agree that there is a place for government involvement, but we prefer to let Canadians operate on their own initiative and to supply help to those who need it, and to get out of areas where it is no longer required.

Mr. Langdon: Mr. Speaker, I think the minister is quite correct that there is a basic disagreement. The basic disagreement though is over the question of equality. We, in this party, coming from the kind of philosophic beliefs that move us, believe very strongly in equality, not in complete equality for everybody but in equality of opportunity and in equality of essential condition which should exist within our country. That is why, for us, regional development is such a fundamental, basic, touchstone issue because we see the inequality that exists among regions as so subversive of what this country could be, of how grand and magnificent a community we could build in this country.

• (1330)

I hope the minister from his region which historically has been so unequally dealt with by the rest of the country, will ultimately see the light and recognize that that commitment to equality is crucial and he will start to take some movements toward that.

On the specific points that the minister made, I agree with him quite strongly that decentralization of our regional development efforts is important and local headquarters are important to do that. That is why my suggestion of regional development banks would see those located within the regions that they are meant to serve. It would see those banks being much more activist, making much more effort to make things happen and to make things change rather than just sitting back and waiting for grant applications.

With respect to whether or not there are cuts to ACOA, we can talk about this in committee; I am sure we will. The crucial issue is that there has not been, as there should have been, given the problems of Atlantic Canada, a massive increase in support through ACOA.

In terms of macro-economic effects, I simply make the point that the job expansion record in recent months is quite poor and as interest rates persist at their high level, we are going to see those job-creation rates squeezed just as we have seen the jobless figures in this country go up.

With respect to foreign investment, of course the minister is correct. Foreign investment has played an important role in the development of this country, certainly in the development of my constituency. The point about my constituency is that the great bulk of that foreign investment came in without the financial support of the taxpayers of Canada. That is what I think we have to stop. Our support should be going to Canadians.

Finally, I too have two pages with respect to economic and regional development agreements. I am sure the minister's pages refer to those which are continuing this year. Mine refer, and that is the crucial issue, to those which run out this year.

Mr. MacKay: We are going to renew them.

Mr. Langdon: It is those to which the government must make a commitment. If the minister is prepared to stand up and make a commitment that the money in those regional development agreements will be completely replaced, I certainly would be pleased to hear it.

The Acting Speaker (Mr. Scott (Hamilton—Wentworth)): The Hon. Minister of Public Works for no more than two minutes, Sir, in this question and answer period.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I just want to make the point to my colleague opposite that the number of regional development agreements we have signed are commensurate with the desires of the provinces. As I indicated to my colleague from Cape Breton Highlands—Canso, we have ample funds to go to the provinces and discuss renewal on their terms for all the new agreements the provinces wish renewed. We have those resources. In some cases, as the member knows, with the consent of the provinces, we have signed agreements involving more money than the ones they replaced. In others, with the consent of the provinces, they have involved less money. These co-operation agreements are designed not like the old ERDAs for the most part to be five-year agreements, but the new ones can be implemented for two or three or four years. They can be topped up or changed. Again, there is more flexibility there. I want to assure the hon. member that there is no lack of resources from the Atlantic Canada Opportunities Agency to meet the legitimate aims of the provinces that wish to develop certain sectoral agreements.

The Acting Speaker (Mr. Scott (Hamilton—Wentworth)): I am sorry, the period for questions and comments has expired. Perhaps the hon. member for Essex—Windsor could come back with another question after we hear our next speaker. Continuing debate. The Hon. Member for South West Nova.

Mr. Langdon: Mr. Speaker, on a point of order. I believe that the rules do require that in the case of a comment or question, there is at least a chance to respond to that comment or question. I certainly intend to do so very briefly.

The Acting Speaker (Mr. Scott (Hamilton—Wentworth)): We will give the hon. member for Essex—Windsor 30 seconds more.

Mr. MacKay: That's flexibility.

Mr. Langdon: Mr. Speaker, I am glad we are all so flexible today.

While the minister may be able to make these commitments for Atlantic Canada—and I will hold him to them in committee and elsewhere—we cannot get similar commitments from him for some of the massive agreements now running out, such as the $300 million forestry agreement in British Columbia, to which despite prodding from various colleagues, the Minister of Forestry has not yet been prepared to make any commitment.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I hope the minister is going to stay to listen. I listened to him at least on television.

I want to reread the motion today because I think it needs rereading. It is an Official Opposition motion presented by our side. It states:

> That this House condemn the government for its failure to protect, support and promote the regional economies of Canada, in order to eliminate regional disparities in the Atlantic provinces, Northern Ontario and Western and Northern Canada.

I think the direction this government has given to Canadians is bringing on and will continue to bring on regional disparities. I think we have seen this in the free trade agreement where across Canada the primary industries will be the ones to suffer. We see it in agriculture with hog retaliation in the United States. We see it in the fisheries where we must give some west coast fish to the U.S. to process and we see it in forestry across Canada.

As we have to give up our primary industries, it will mean that they will become service industries for the United States under the free trade agreement. Look at the fisheries on the west coast. I can see it on the east coast because the government is taking the fisheries—and later I will deal with the fisheries as an alienating problem—more towards confusion on the east coast. You will probably see Americans take up the licences to fish our fish and eventually land the fish in the United States, as can be done on the west coast.

I also want to say that the free trade agreement should have had a clause that protected our primary resources, our primary industries, which were the economic basis of rural Canada. This is one area in which I feel our regional economies are going to suffer and are already suffering.

The other aspect is the goods and services tax presently before the House. In eastern Canada, I see it affecting our tourism industry. Every person who comes to visit, even though he or she can have a rebate, will be deterred by a 7 per cent tax in addition to the tax already in place. It will affect, I think initially, and probably for a long time, our tourism industry. Certainly, we are hearing that from the tourism operators on the east coast.

• (1340)

It will also affect lower income people, and by that, I am not assuming those people who will not get rebates. I am assuming that on the east coast there are people with incomes below the average of Canada. Because of the GST there will be less to spend in our local economies than there would be if there were no GST.

I can give several areas where I feel the government should have come up with alternatives. The goods and services tax is certainly one area where there will be an inflationary aspect and will particularly hurt the east coast as well as rural Canada. I just do not limit it to the east coast because I think it will have the same effect in rural Quebec as it will have in any rural area in Canada.

We heard from small businesses that it is a disincentive and heaven only knows that we cannot lose any more small businesses in the east.

We heard from the Atlantic Transportation Commission when they appeared before the transportation committee that the 7 per cent rate is a deterrent to people looking to buy goods from the east coast. It is also a negative in the sense that when people on the east coast have to order goods made in Ontario, they will look somewhere else to get the goods without the 7 per cent tax. Even though it can be rebated, it is this burden that is imposed on businesses.

At the same time that we are seeing two major government policies affecting rural Canada—and this motion today is directed to the rural economies of Canada and when I say two major policies, I mean the free trade agreement as it affects our primary resources, and the goods and services tax as it will affect our tourism industry, small business, the transportation of goods from the east coast, and the inflationary impact of the GST on lower income earners.

At the same time that we have these two major policies, we have a government that is hitting at the infrastructure. I heard the Minister of Public Works say that there was no crisis in the economy on the east coast. Thank goodness, if that is the way the government interprets it, that there is no crisis on the east coast. But there is a crisis. I can tell you that from the point of view of the fishing community, and representing a constituency directly dependent on the fishery. If the government wants to say there is no crisis on the east coast, I can only say that the way the government has cut at the infrastructure, there soon will be a crisis. What infrastructure am I talking about? I am talking about the Established Programs Financing. The government has a well known history of cutting it back in the Atlantic region as well as in other provinces.

I should clarify that Established Programs Financing is the program funded federally with the provinces for health services and secondary education. But since 1986, when the government proposed the reduction by two percentage points of the Established Programs Financing, and again in the 1989 budget, with a cut that was a further percentage point, the cost of these two measures alone to the Atlantic region for the financial year 1986–87 to 1994–95, will be $779.4 million.

In 1990, in this budget, the government did not just go along with the established cuts that it had put in, it further froze the Established Programs Financing at the 1989 level for two years which will cost the Atlantic a further $655 million for the financial years 1990–91 to the 1994–95 years. That is over $1.4 billion that the Atlantic provinces will not have from the Established Programs Financing that they will have to find somewhere else. Why? I did not see any ministers of state get cut. I did not see any of their budgets reduced. I did not even see the Prime Minister reduce his cabinet. I would have accepted some of these if he had shown some restraint within the cabinet itself to spend money that we can ill-afford. We do not need those ministers of state. Surely the ministers there could be doing a more thorough job of their own department.

In fact, it is so bad that when you write to the Minister of Employment and Immigration, you get a letter back saying "I am sorry you wrote to the wrong person, it goes to this minister". Then sometimes you even get a letter back saying it has gone back to that minister because the Minister of Employment and Immigration sent it to the wrong minister. I have become so confused as to who you deal with because there are so many ministers of state in the Employment and Immigration Department.

I think at last count there was a minister of state for youth unemployment, a minister of state for immigration—I am not sure, I lose track, but I know that there are at least three ministers doing the job that I think she should be doing. She is not going to have as many problems because of the cut-backs under the Unemployment Insurance Program. There are a lot of people who should be cut in that department.

I want to deal with that as a cost to the infrastructure on the east coast. Going back to the Established Programs Financing, there are areas affecting everybody on the east coast concerning health care and university education. At the same time, this government, as I said, has cut again at another infrastructure and that is the Unemployment Insurance Program.

The Unemployment Insurance Program in rural Canada has provided a supplementary income. There isn't anyone who would not agree with me on that. It has provided seasonal employment with the additional help to stay for the jobs when they are available. In some rural areas it is not much because seasonal jobs are almost full-time jobs. In other areas it has allowed people to have that extra income.

This government is privatizing the unemployment insurance fund. That means it will only be funded by the employee who contributes and the employer who contributes as well. That is fine if you want it to be privatized, but I question how this government will replace the additional income that was there for Canadians across Canada. I do think that most Canadians would agree that we want people in rural areas of Canada, whether they be in Newfoundland, British Columbia, in our north, even in some of the rural areas of southern Ontario or the golden triangle between Montreal, Toronto and Ottawa doing without.

I cannot believe that the government can bring in legislation like this and not provide people with something as they try to find longer lasting jobs and more income from what is available. The government is removing this income. There is no income there.

The minister says she is going to use the funds in the UI fund that will pay for itself for retraining. Well you cannot do that. If you wanted to retrain everybody, the fund could not do it because the amount of money required would be too great. Second, there are no jobs in the retraining programs for those people in rural areas. We are supposed to pass a bill incorporating changes to the Unemployment Insurance program that will cost Atlantic Canadians $309 million, according to the Canadian Labour Congress. I heard the debate this week and I heard some people say: "Yes, the Liberals made cuts or made changes to the Unemployment Insurance. Yes, I was here when they made those changes, but they never did what this government is doing. If they reduced some aspects of the Unemployment Insurance Commission they at least put in job-creation money that would give people the dignity to have a job and find the necessary additional weeks, and it worked. If the community has to find the jobs, they will find them if you allow them some job-creation money to keep the people there for when the jobs return to the point that they can sustain them. This government is not doing that. It says it is going to retrain you. Retrain you where? In southern Ontario? From rural Nova Scotia? From rural Newfoundland? That is not what I consider a direction that is going to help regional economies.

• (1350)

On unemployment insurance just in the fisheries fund, in 1988, the government had to put in $251 million to cover the shortfall because fishermen have not been able to contribute the total amount because there is no employer for the most part to contribute the total amount to the fisheries unemployment scheme. That is going. Who is going to replace that? Who is going to say to the fishermen that they will help in terms of the Unemployment Insurance Program? There is no consideration. There is no hope. Maybe it is all part of this government's attitude to the east coast fishery that will let the chips fall where they may. The big will survive, the foreigners will stay, the Americans can fish, but we are not going to intervene in the process to allow those thousands of people living in inshore communities to survive in those communities. There are no directed programs by this government for that.

The other area we have seen for what I consider infrastructure, has been cuts to defence. I have appreciated the facilities of defence being on the east coast. They were established there because there were wars going on and supplies were going across the Atlantic.

You build an infrastructure around these defence bases. I am sure that many Canadians have great memories of having lived on the Atlantic coast. Maybe some of them would never have had that opportunity had it not be for the defence establishments. I will say that the cuts to the six established communities with bases will affect 500 civilian positions, $90 million in salaries in the economy and all the infrastructure that went with those six bases.

I have not heard what will replace it, even on an interim basis. I challenge the government. You cannot keep taking from economies and expect them to survive. Maybe you want them to go to the middle part of Canada. But Canada is Canadians helping Canadians. There are other areas in the tax system that I would rather have seen affected; the capital cost allowance, the capital gains that better off Canadians still have. There are many areas that this government has not even touched because it shows it is leaning towards upper income Canadians, the big companies and the United States under the free trade agreement at the expense of what I consider rural Canada and the primary industries.

When the minister was here, he in his speech talked only of ACOA. I do not want to argue with him on the cuts for ACOA. I would think while we are cutting infrastructure that he would perhaps take another look at what his ACOA is funding because there is no point in funding tourism if there is no tourism next year. Why not fund infrastructures that municipalities have been asking for? Why not go after areas where it helps more people than individual people under ACOA? It is only a thought, but I have seen programs that ACOA or DRIE has funded or MAGI. I think it developed Halifax. It gave a rejuvenation to downtown Halifax at that time. There may have been some things wrong with it, but anyone who goes to Halifax would say that it started the development of Halifax and an interest in the downtown waterfront.

At the same time that I talked about ACOA, the minister wanted to aim at different people and he aimed at one of the leadership contenders. The leadership contender he aimed at has formed a new policy which the minister might like to read on regional development that gives a new attitude. If there are tight restrictions let us look at the money as examples of regional needs. He cited better transportation and communication systems, education and training programs, energy supplies, health care and public administration services. He also said—I do not want name him but I will—the leadership contender he was talking about was Mr. Chrétien. He also said at the time that he would work closely with provincial governments in slow growth regions to increase better public investments in necessary infrastructure.

In all my experience in Parliament as a back-bencher over there and as an opposition member here, I have never seen a government more directed to destroying the infrastructure and economies of the regions. This motion today is timely. We should be debating this in committees and we should be talking about the direction that this government is taking Canada, whether it is with the free trade agreement, the GST or the cuts to VIA. There is no replacement. We do not see that our roads are going to be any better. We do not see Air Canada servicing more people. In fact, Air Canada is going to cut back in Saint John and Sydney. It is going to cut back in other areas of Canada.

The government thinks things have to to be run like a business. There is nothing in here that we want to touch. We are going to sell it all. Forget Canadians. Look at the post office. I sat in committee today with the minister responsible for the Canada Post. He said to one of my colleagues that you do not want uneconomic things. I would have liked to have asked him to define uneconomic things. Are we talking about the rural post offices that are closing? Are we talking about the fact that Canadians, when they hear of their post office closing, would like to know how much it costs for that single post office? We don't know. We cannot even know what it costs to lease the post office in a community versus the cost of putting it into a business. And yet we are supposed to say this is all a standard of service that this government is giving Canadians.

The problem is this is all the infrastructure across rural Canada. I do not think—and I think I share this with my colleagues here—that the parts can be weakened without weakening the whole. As I see this government directing policies towards the big centres and towards centres away from the rural areas, you will find more and more that we are slowly losing Canada and it is becoming an area of regional disparities. This motion today shows that. I hope that the government and the ministers who are responsible will start looking at programs directed towards the regions. We need infrastructure. If you take from our area we need to have at least access to that

money for a while to find new infrastructures to keep the people there.

In tough times we need infrastructures such as water and sewer. We need roads. If the government is taking trains away or looking at other areas of cutting back, I say I do not see that.

STATEMENTS PURSUANT TO S. O. 31

• (1400)

[*Translation*]

INTERNATIONAL CONSUMERS' RIGHTS DAY

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, today is international consumer rights day, organized by the international organization of consumer associations. Throughout the world, consumers are taking part in activities to stress their impact on the market place in our society.

The international organization is a non-governmental, non- profit organization that today links the activities of 173 consumer groups in 63 countries and initiates action on consumer problems that are international in scope, such as medical products, pesticides, tobacco and baby food.

The right to consumer education was selected as the organization's theme this year.

In this country, Mr. Speaker, consumers are protected by general legislation and especially by a market that is responsive to consumer needs and acknowledges the fact that consumers, business and governments must work together.

* * *

[*English*]

INTERNATIONAL CENTRE ON SUSTAINABLE DEVELOPMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, those with long memories will recall that way back in September, 1988, the Prime Minister announced at the United Nations the establishment in Winnipeg of an international centre on sustainable development. Since then,

his government does not appear to be in a hurry to implement the Prime Minister's promise.

In a column in the Winnipeg *Free Press*, Val Werier quotes one Manitoba official as saying: "The political map of eastern Europe is being rearranged faster than it takes the government to act on the centre."

Why the snail's pace? Is the Prime Minister still serious about his commitment to establish the centre? Actually, is he serious about implementing sustainable development at all? His government's lack of action so far forces Canadians to think that he is green by way of words, but not by way of actions.

* * *

ONTARIO YOUTH PARLIAMENT

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, this week at Woodstock, the Ontario Youth Parliament concluded its successful twenty-second annual meeting. The youth parliament is a successor to the Ontario Older Boy's Parliament which began in 1912.

Over a quarter century has passed since I was first elected to Ontario Older Boy's Parliament, and this weekend at Woodstock I noticed important differences that reflect the progressive evolution of our society.

Females are now equal participants in the process, whereas once they were excluded. Indeed, the premier this year is Christine Kennedy. The parliament is now interfaith, whereas once it was for Protestants only. Issues of health care services and the environment were among those debated, also reflecting contemporary concerns.

Finally, four youth representatives from the U.S.S.R. were present, yet another sign of the changing times, and hopeful signs, as Canadian youth learn the ways of parliamentary debate and procedure and prepare themselves for future leadership in a more democratic Canada.

* * *

ARCTIC WINTER GAMES

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, the twentieth Arctic Winter Games are under way this week in Yellowknife. The four circumpolar nations, Canada, the United States, Greenland and the Soviet Union are represented. Canadian athletes from northern Alberta, the Yukon and, of course, the Northwest

Territories, are participating. Northern Quebec, unfortunately, was unable to come. We hope that they will be there the next time.

These games are unique for their circumpolar and aboriginal spirit. Traditional Dene and Inuit games such as the snow-snake and the high kick are prominent. Performing groups from the different nations provide fascinating entertainment.

Congratulations are due to the organizers, the many volunteers, and the athletes. The presence of the delegation from the Soviet Union is a real high point of this year's games.

The games are truly a celebration of northern culture, characterized by friendly competition and dedicated to just having fun. These games are a model for all international competitions and for harmonious relations among nations.

Canadians should rejoice that the north has opened, in friendly spirits, the means to have good international relations with the other three circumpolar nations.

* * *

PUBLIC SERVICE ALLIANCE OF CANADA

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, the decision by the Public Service Staff Relations Board determining that the government violated its collective agreement with the Public Service Alliance of Canada is good news for Canadian civil servants and the Canadian public.

It is good news for civil servants because the jobs of permanent employees will now be more secure, not threatened by the whims of this government. It is good news for the Canadian public because the truth is out. It proves what New Democrats have been saying all along, that the government has contracted out public service jobs, privatized them.

Public Service Alliance President Daryl Bean said it well: "This is a landmark decision for all public sector workers who have lost their jobs and had their careers disrupted as a result of contracting out by the federal government".

The Conservative agenda of increased contracting out and privatization has effectively been dealt a major blow by this decision. Let us hope that this is a lesson learned by all levels of government.

* * *

VIA RAIL

Mr. Al Johnson (Calgary North): Mr. Speaker, we have just heard on the news that VIA Rail intends to sell by tender its surplus rail cars in the international market.

The Rocky Mountain Rail Society has requested of the minister that these cars be made available to them. This volunteer society has already rebuilt a large steam engine and has arranged the running rights for a tourist run within central Alberta.

I implore the minister to instruct VIA Rail to reconsider this action and to keep these rail cars Canadian.

* * *

1990 BRIER

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, Canada's roaring game, the 1990 Brier Men's Curling Championship, produced an unusually exciting climax to a long winter season last Sunday when the seasoned Ontario rink won the event on the very last rock over a determined young team from New Brunswick.

Congratulations certainly go to skip Ed (the Wrench) Werenich and his Ontario team for winning their second national championship, and sincere best wishes to them for further success in pursuit of world honours.

There is also understandable pride on my part for the Jim Sullivan rink from Fredericton's Capital Winter Club, with an average age of just 21 years, which indeed did provide a spectacular performance by winning two critical play-off games to reach the final and then losing only by a whisker. These curlers, all students of the University of New Brunswick, distinguished themselves in the best of Canadian competition and received a well deserved hero's welcome upon their return home.

As with all forms of excellence in national endeavours, athletic achievements—in this case curling— help to develop the spirit and the character of our country, and even more so help to preserve its unity. To all those who

have participated in the 1990 Brier should go our recognition and appreciation for such an important contribution to Canada's way of life.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, on March 12, the Liberal Party set up a telephone line for Canadians to express their views about the GST. Since then, more than 50,000 Canadians have spoken out against this new tax.

[*English*]

We hope that many more Canadians will call before Sunday night to voice their opposition to this unfair tax by calling 1-900-720-6051 or 1-900-720-6052.

[*Translation*]

—in English or in French, 1-900-720-6051 or 1-900-720-6052.

* * *

[*English*]

TIEM CANADA

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, this government prides itself in its business acumen. This government makes much of its ability to manage and manage it has.

The government has managed to blow $17 million over three years on TIEM Canada through innovations programs and a program to assist small business. The government, after its original interest-free loan of $12 million, was to pay TIEM Canada $14,000 for every entrepreneur TIEM had as a client and $14,000 for every job TIEM created. TIEM Canada claimed 1,000 jobs were created. Its entrepreneur clients said "Not so". Some said that they were told to lie.

Last spring the government woke up and amended its contract with the now non-existent TIEM Canada. Auditors believe TIEM Canada owes the government $12 million.

• (1410)

That $12 million would have gone a long way in this year's budget. It would have almost covered the $1.6 million cuts to women's programs, $8 million cuts to native programs, $8.6 million cuts to veteran's board and lodging.

The government claims to be investigating, but I wonder how many other management disasters this government has hidden away and where they have hidden them, and if there will be a formal audit of TIEM Canada.

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[*Translation*]

THE FRENCH FACT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, yesterday, March 14, 1990, the Quebec Minister of Education, Postsecondary Education and Science, Mr. Claude Ryan, said: "If these manifestations of hostility to the French fact were to continue and increase, if they were to be seen as a true reflection of the attitudes of the majority of English-speaking Canadians, we would certainly have to take a very serious look at our place in this country".

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LINGUISTIC DUALITY

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I would like to draw the attention of the House to the issue of linguistic duality and the Canadian government's emphasis on this fact, as demonstrated by the Secretary of State in his letter of February 7 to Mr. David Peterson. The present government has repeatedly demonstrated its firm and unequivocal commitment to this important dimension of our national reality.

Whether it was passing the new Official Languages Act, proposing the Meech Lake Accord in its present form, or signing agreements with the ten provinces and the two territories on minority language education and second official language teaching, the Conservative Government has demonstrated, in no uncertain terms, its commitment to the rights of official language minorities, wherever they happen to be in this country. A great deal has been done in this respect in recent years. Our government's commitment testifies to and confirms our appreciation of this country's linguistic duality.

S. O. 31

[*English*]

GOODS AND SERVICES TAX

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, the anti-GST phone-in petition sponsored by the Liberal party is receiving a tremendous response from Canadians across this country. Over 50,000 calls have been received thus far. In fact, the demand has been so intense that we have had to add another line to register the calls and we have extended the phone-in campaign to 11 p.m. EST on Sunday night.

The people of Canada are certainly taking advantage of this opportunity to reach out and touch an out of touch government and ring their bell so that they will know that the GST is totally unacceptable.

Canadians dialing 1-900-720-6051 or 1-900-720-6052 know that the Liberals care about the views of the people.

* * *

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, the Minister of Fisheries and Oceans knows that the fishing industry has no confidence in that department's policies. If he wants to restore some lost confidence, I recommend the following actions.

Commit the department to a complete reassessment of traditional stocks in the Scotia-Fundy region. As it now stands, the department's data does not correspond with what the fishermen are seeing in the waters, since they cannot catch it.

Second, he should institute the mesh size recommendations made by the inshore for all sectors of the fishery: inshore, offshore and foreigners. That would allow the escapement of juvenile fish and it would be an automatic conservation method.

He should further reassert the department's traditional role in market development, substantially increasing the government's marketing budget from the $1.9 million spent in 1989. He would then have some funds to go into the under-utilized species as incentives for the offshore trawlers and for all those empty fish plants, rather than letting the foreigners catch it.

As well, as a matter of good faith, he should review the practice of allowing the Cape North to fish the traditional stock of pollock in our waters. That contract is up in January and he should give notice to the owners that it should not be within our inshore.

I believe these actions would certainly improve the confidence the inshore would have in the minister.

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ABORIGINAL RIGHTS

Mr. Ray Funk (Prince Albert—Churchill River): When the First Ministers Conference on aboriginal matters fell apart in 1987 the Prime Minister said: "There shall be a price to be paid for our failure. Unfortunately, those called upon to pay the larger share of that price shall be those least equipped to pay it, namely the aboriginal peoples".

Those words have a bitter ring to them today since it is the Prime Minister's own government that is extracting that price. This morning the Assembly of First Nations released an analysis of the recent budget they labelled: "The Budget in Grief".

It shows that per capita expenditures for Indian people in this country have actually dropped 11 per cent over the last five years. It shows that the incomes of Indian people are a pitiful 54 per cent of those of other Canadians. Yet, at the same time the Prime Minister's own government has treated Indian governments as if they were like the wealthy provinces of Alberta, British Columbia and Ontario and capped their budgets.

Maybe the Prime Minister needs to be reminded of the rest of his 1987 statement when he said: "The aboriginal people have paid an unfair price for an unfair share of time".

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CANADIAN UNITY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, to paraphrase one of the founders of this nation: "A Canadian I was born and as a Canadian I wish to die". I am also a Nova Scotian and an Atlantic Canadian.

There are forces at work in this country today that naively think that although fostering inter-regional, inter-linguistic and inter-cultural misunderstanding, they will not fracture or otherwise harm Canada, not to

mention themselves. They cynically feel that where they failed others should not be permitted to succeed, notwithstanding the national interest.

A Canada without Quebec more imperils Atlantic Canada than a Newfoundland without the codfish.

Without Quebec in Canada, what becomes of the maritimes? Clearly, Quebec can make it no its own economically. Can we? Outside of Confederation, how will Newfoundland export its power to the United States? Will the maritimes become the East Pakistan of North America?

Let us say yes to Canada, a Canada with Ontario, with the west, with the north, with Atlantic Canada, and with Quebec.

Some hon. members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Employment and Immigration. In her absence, perhaps I can direct the question to the Deputy Prime Minister.

On October 18, 1989, in announcing her 1990 immigration plan, the minister said:

> Family reunification remains the cornerstone of the current immigration program..Immigrants make a valuable contribution to Canada,—enrich our society and our economy and—they help us maintain our tradition of tolerance which is envied by all.

Today, we are dismayed to learn that the government has backed down on this commitment. Only last month in a directive the government sent to all immigration posts abroad, it said:

> Global targets have been set to produce 173,000 landings from abroad. Posts must/must adhere to within 5/5 per cent of their targets.

Surely this amounts to a new quota system, and I ask the Deputy Prime Minister why this reversal of our longstanding policy against quotas? Why are we no longer concerned with family reunification and encouraging immigrants to this country with needed skills?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, our policy favours all the components of our program and of our immigration level. As you know, we had to make up for lost time due to the backlog resulting from previous policies. We are respecting our timetable and especially the major components of this immigration level which show that Canada is a welcoming country. The Family Reunification Program has been greatly improved in recent years. We definitely intend to continue to reunite families and improve this program as part of our immigration.

[*English*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister is attempting to say that the government has not introduced a new quota system. How can she say this when the directive, sent only last month to all our overseas immigration posts, says:

> Management should be exercised at the front end by managing the number of cases scheduled for interview or otherwise put into active processing.

What this means is that the minister's department will be turning away potential immigrants with needed skills and people who want to be reunited with their families before they can even get into the front door of our immigration posts.

Why has the government abandoned our longstanding policy against quotas for this new type of quota system, as made clear by the government's own directive to its immigration posts?

• (1420)

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, it is completely wrong to suggest to this House that we decided to reduce immigration quotas and I especially want to say that our policy is open and known. We respect the quotas and certainly have no hidden quotas.

Mr. Marchi: That is false!

[*English*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the issue is not has she reduced what even the minister calls "quotas", but has a directive been given

that numbers above what we consider to be new quotas cannot be allowed in through her department?

For example, this same document states:

> Globally, increased immigrant output at the expense of other priorities can no/no longer be seen as an appropriate response to excessive demand..it would result in a significant over filling of the annual level thus rendering the levels exercise, and its consultation process, a less meaningful endeavour."

[*Translation*]

Mr. Speaker, if this document does not describe a new quota mechanism, why does the directive also say that for Canada, this means that the number of eligible immigrants far exceeds the number the government plans to admit?

So I ask the minister why she does not simply provide the additional resources to process all the eligible immigrants efficiently and equally. Why not, Madam Minister?

[*English*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the processing of the backlog will continue and it is in the interest of all claimants that it should do so.

[*Translation*]

We are trying to provide our claimants with the services to which they are entitled and all the applications for sponsorship, family reunification and the various components of our immigration level will be treated with the services, compassion and humanitarianism that characterize us as a government and as a country.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the same minister and it concerns the other backlog in her department, namely, the refugee backlog.

It has now been 10 days since the Federal Court ruled that the minister's refugee backlog clearing system is illegal for the 125,000 refugee claimants and to date there has been no response from the minister or the government.

In light of the ruling, whereby claimants have been waiting for three, four and five years, the system is costing hundreds of millions of dollars, can the minister inform the House what action the government will take in view of this ruling so that this large, onerous cloud of indecision and uncertainty may finally, once and for all, be lifted?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the judgement referred to in no way affects the legality of the system. We have implemented a process to clear up the backlog and we will see it through. We are trying as much as possible to speed up the process by always keeping in mind humanitarian considerations, which guide and, I would even say, characterize our department. So I repeat, the judgement does not call the legality of the system into question. On the contrary, what we are trying to do with these new measures is to guarantee our protection to those who ask for it.

[*English*]

Mr. Sergio Marchi (York West): With all due respect, Mr. Speaker, I do not think the minister has read the decision. Today, if she is categorically saying that the legality of the system is not being called into question, then clearly not only has the government not given us a solution, they have not even read the decision from the Federal Court.

My supplementary question is to the same minister. She is aware that a number of claimants have been denied status or have been deported under the system that has been ruled on as illegal by the court.

In light of the court's ruling, what does the minister plan to do about those who have been denied or deported? Will they get a second opportunity and a second fair hearing, something that they were denied the first time around?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): My colleague in Immigration is reviewing the judgement and we will make the decisions required to speed up the process of clearing the backlog. It is in the interest of all Canadians that we in the government and the department take rational, well-considered measures, which is what we are working on.

[*English*]

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is to the Deputy Prime Minister, in the absence of the Prime Minister.

I would like to make a reasonable suggestion to the Deputy Prime Minister this afternoon. For some time, his government has been calling for alternatives to the GST, and our party and riding have given an alternative to the government in terms of tax fairness for individuals and corporations.

This morning we heard a very well spoken alternative from Neil Brooks, a professor from Osgoode Law School in Toronto, to the GST. In his alternative, Mr. Brooks proposed something that is less inflationary, has less impact on interest rates, better in terms of job creation, an alternative that is far less costly.

When the Deputy Prime Minister considers the tremendous opposition to the GST, when he considers the fact that there is a revolt brewing on the back-benches of the government party, I wonder whether or not the government would consider suspending the process of the GST. Would he put the GST on the back burner for a few months and consider an alternative to the GST, in light of the fact that the population of this country does not want this new tax?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to tell our hon. friend in very clear terms that there is no question that this government will go back on the GST, because the GST, as we have proposed it, is the fairest of the value added taxes and the most equitable system of all VAT country taxes. Forty-eight countries have a GST and ours is the most equitable.

The reasons why so many Canadians fail to understand it is that the opposition, instead of being responsible and co-operating in the improvement of the finances of this country, is doing everything it can to describe it in terms that are most unfair.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in addition to the unfairness of the GST and the opposition to the GST, the minister knows very well that over the next 10 years, according to the Minister of National Revenue, the administration of the tax will cost the Canadian taxpayers billions and billions of dollars. The compliance costs in terms of business will be billions and billions of dollars. In fact, over the next decade if you put the two of them together it will cost administration and compliance costs of over $15 billion.

Is that figure alone not enough to convince the government to withdraw the GST, to listen to the Canadian people, to hear what they are saying, be a bit democratic, withdraw the GST, or at least suspend it and look at alternatives.

Hon. Gilles Loiselle (Minister of State (Finance)): I would like to remind the hon. member that, at committee stage, his own party supported the introduction of a value-added tax. It so happens that as part of my responsibilities I travel around this country and I meet people. When we tell them what this reform is all about, they support it.

We will continue our job of explaining and introducing this new tax.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the minister is aware that our party has proposed an alternative to the GST. He is aware of it.

Mr. Speaker, in Mr. Brooks' proposal this morning, an average family that earns $35,000 to $40,000 a year would be $300 ahead compared to the GST, according to Mr. Brooks' figures. Does the minister now agree that the government's proposal is worse than Mr. Brooks'? And if he agrees, will he finally listen to the Canadian people and withdraw the GST?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I tell our friend again that there is no question of withdrawing this tax proposal. We have presented it to the House and will see it through because it is a modern reform. When we explain it to Canadians and tell them about its advantages, particularly for families of modest means, they will understand.

Once the opposition stops doing everything to misrepresent this proposal, things will improve and gradually— From the phone calls we receive, we sense that people accept it. They do not like taxes, neither do I, but they accept this reform more and more.

• (1430)

LINGUISTIC MINORITIES

Mr. Jean-Robert Gauthier (Ottawa Vanier): Mr. Speaker, my question is directed to the Deputy Prime Minister. Candians have reason to rejoice. The Supreme Court of Canada has handed down an historic judgment, which confirms that language minorities have the right to manage and control education in the minority language and the institutions that dispense that education.

Mr. Speaker, minority groups now have a decision by the Supreme Court that confirms they have rights. However, these rights will be more or less respected depending always on the generosity of the provinces.

Considering the reluctance of certain provinces, including Alberta, to recognize the rights of the francophone language minority, I want to ask the Deputy Prime Minister what the federal government intends to do to ensure that these provinces are generous, open and obliging towards their language minorities. What will the government do?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, two years ago, the government promised to raise the question of minority language rights in general at the first constitutional conference after the ratification of the Meech Lake Accord.

This commitment was repeated several times, in the Speech from the Throne, for instance, which identified language rights and strengthening the Charter as the government's constitutional priorities, once Meech Lake was ratified.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I thank the minister for her answer. The Supreme Court of Canada has confirmed today that minority language parents should be granted management and control over minority language instructions and facilities.

Many provinces have still to accept minority language groups and their right to educate their children in their language. As spokesperson for the Government of Canada, will the minister tell us whether the Government of Canada will convene a federal-provincial conference to which all premiers will be invited to discuss this question which is very important to Canadian unity?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I answered the hon. member, the government is committed to dealing with this issue on a constitutional basis. I would also point out that I would expect that the governments of the provinces of Canada will abide by the law as it has been articulated by the Supreme Court of Canada.

I have not had a chance to examine the decision in its details, as it was just released today at noon, but the Government of Canada is ready to collaborate with the provinces and territories so that they can give effect to the decision of Supreme Court of Canada in the most appropriate way.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, recently, the Minister of National Revenue stated that businesses that will have to collect the GST should start registering next month with his department.

Could the Minister of National Revenue explain why businesses in Canada have to register to collect the goods and services tax, although the bill has yet to receive the approval of the Parliament of Canada?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. member should know, the Auditor General on numerous occasions, including in his last report, stated that the GST must receive the priority and resources required to ensure the successful delivery of this major government initiative prior to the implementation of such legislation.

We would be irresponsible if we were not moving forward and giving Canadians the opportunity to register early because there are numerous benefits. Registration will be done on a voluntary basis up until Royal Assent is given some time later in the year, hopefully.

In the meantime, those companies which we are urging to register will be able personally to begin to claim for federal sales tax credits and will get information on how to collect the GST, keep records, file returns, obtain refunds of federal sales tax including the inventory of resale of December 31, 1990, what options are available

to get GST procedures, and all the other positive elements that we are beginning to put in place now for the benefit of each and every business in Canada, particularly the small business community.

As I have said in the past, if we did not do that, if we did not prepare, we would be irresponsible. We are preparing.

Mr. Douglas Young (Gloucester): Mr. Speaker, the small business community to which the minister refers has been very outspoken in its opposition to the goods and services tax. The minister has been talking about the efficiency of the program he is putting in place. That program includes the hiring of 4,000 to 7,000 tax collectors and so-called tax police.

Since the Minister of National Revenue is debating the amount it is going to cost taxpayers to implement the GST, can he tell us how much it is going to cost small businesses which are going to be forced to collect the goods and services tax? How much is it going to cost them?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, there are a lot of elements in that question that have to be corrected.

The hon. member is wrong in the number of employees that are required to be hired to implement and administer the GST. The hon. member is wrong when he says that the small businesses we talked to are opposed to this. We know that John Bulloch wants a national sales tax. He is opposed to this system, but the majority of small businesses we are talking to are not opposed to it.

Some hon. members: Oh, oh!

Mr. Milliken: Give me a break.

Mr. Fontana: Your nose is growing. Pick up the phone line; you'll find out.

Mr. Speaker: Perhaps the hon. minister could complete his answer.

Mr. Jelinek: Mr. Speaker, they get a little antsy when they start hearing the truth and the facts.

Some hon. members: Hear, hear!

Mr. Speaker: If the hon. minister does not answer the question, they will never hear the truth.

Mr. Jelinek: To answer my hon. friend specifically, the compliance costs to small business are going to be minimal. That is why we are offering the advance of up to $1,000 to small businesses to be able to adjust to the new, better, fairer and simpler tax.

* * *

CONSUMERS GAS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Deputy Prime Minister about the takeover of Consumers Gas by British Gas. The British Office of Gas Supply, a government watch-dog agency in the U.K., has accused British Gas of encouraging energy waste in Britain with pricing policies which offer discounts to high volume purchasers.

Will the minister see to it that this environmentally damaging approach to pricing, which has been identified by this British watch-dog agency as an environmentally dangerous approach, is brought to the attention of both Investment Canada and other agencies that have to make decisions with respect to this sale so that they will make decisions to keep Consumers Gas in Canadian hands?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member should know that Investment Canada does not make decisions. It makes recommendations.

Its recommendations are based in takeovers of this sort on proving that there is net benefit to Canada from any such takeover. If that case is not made and the minister does not accept it, the takeover would not go through.

The hon. member should know, too, that the Ontario Energy Board plays a key role in this decision, as do the energy authorities in the province of Quebec.

• (1440)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, that is why I suggested the variety of different agencies with which this government, if it takes environmental considerations seriously, should be communicat-

ing to see to it that Consumers Gas is not simply sold out to a company with this kind of poor record.

[*Translation*]

Mr. Speaker, my supplementary is as follows: More than 20,000 consumers filed complaints with British Gas last year. Will the government consider these problems when it makes its decision on the sale of Consumers Gas?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Yes, Mr. Speaker, this will be part of the calculation of net benefit to the people of Canada.

Large discounts occur now with Consumers Gas in Canada. They are not necessarily right just because they are Canadian. The British applicants will have to prove that their application is of net benefit to Canada, including environmental considerations.

* * *

MOLI ENERGY

Mr. Stan Wilbee (Delta): Mr. Speaker, my question today is for the minister responsible for western diversification.

The high tech company Moli Energy Limited went into receivership on February 26 of this year. The company leaves considerable debts behind, including $33 million to the B.C. government and approximately $6 million to the federal government.

Last week it was announced that a consortium of three Japanese companies have taken over the assets and operations of the firm while the B.C. government is licensing the technology to them. There have been suggestions in British Columbia that other Canadian companies did not have the opportunity to bid for the assets of the company.

First, will the technology that has been developed at the University of British Columbia stay in Canada? Second, were Canadian firms allowed to bid on the assets of this company?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, Moli Energy, as the hon. member will know, is a 10-year old company which has been experiencing some financial difficulties for about six months. During that period of time it has been unable to find Canadian funding to keep itself in operation. The answer to the hon. member's first question is that there was opportunity for Canadian investors to become involved in Moli. Second, the technology as I understand it will remain in Canada. It is a very good technology. As important, there are over 100 jobs involved which will remain in Canada.

While the financial difficulties are not something that we like, the end result is the fact that the technology will stay in Canada and that there will be over 100 jobs maintained as a result of the restructuring that has just been announced.

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TIEM CANADA

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Deputy Prime Minister.

In 1986 the department of regional expansion and the department of employment funded a private company known as TIEM Canada in the amount of approximately $18 million, which company was supposed to help small business in a formative period. However, it was soon discovered that this company did not deliver on its promises, did not meet its targets, was incompetent, was inefficient, and was not able to account for the government funds provided to it.

What criteria were used to select this company for funding, and what evaluation was done of its business plan before funds were provided to the company?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, there was an evaluation done, but what is important here is that very serious allegations have been raised recently concerning TIEM Canada's operations and they are currently being examined.

Until it has been determined whether legal investigation is required in this case, further comment would be inappropriate.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the government has known about this situation for more than a year now and has done nothing about it.

Is the Deputy Prime Minister prepared to establish an independent inquiry to look into this matter and to provide the Canadian public with all the facts about this sad affair?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is quite inaccurate to say that the government has done nothing about it.

In May 1989 this organization, TIEM Canada, closed its doors but it did not go into either bankruptcy or receivership. The Department of Industry, Science and Technology and CEIC have monitored the winding up of TIEM and have assisted TIEM clients to get alternative support.

This the government has been doing, plus the investigation I mentioned in my first answer.

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GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Deputy Prime Minister.

The government makes two assumptions: first, that the value of the MST will be removed from manufactured goods and passed on to the consumer and, second, that Canadians when faced with a rise in the cost of living will not demand higher wages.

Experience has shown that prices will not fall even when old taxes are removed. At a recent national renovators' conference only 44 per cent said that suppliers would pass on some savings.

Given these examples and substantiated studies, why will the government not admit to Canadians that there are no guarantees to protect consumers and that the inflationary assumptions predicted by the government are not even remotely realistic?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, we are very confident that our evaluations are right.

I agree with the hon. member—and we have said so from the outset—that during the transition period we would all, both on the business side and on the labour force side, have to be careful to manage the transition. If everybody were to try to make the best out of it for himself it would create pressures.

Nevertheless, with the disposition we have in this GST reform to protect fully the buying capacity of lower income people and the vast majority of our citizens, we are confident that there is no need for these pressures to arise if we behave in a responsible manner.

Mrs. Beryl Gaffney (Nepean): With all due respect, Mr. Speaker, I find that answer absolutely incredible.

Last week in Montreal it was shown that the Canadian consumer when faced with a rise in the cost of living will demand higher wages. Some 4,200 members of Canadian Auto Workers employed by Pratt and Whitney Incorporated settled for a three-year contract that provides for an unlimited cost of living allowance designed to protect them from the effects of the GST on consumer prices.

Will the minister admit that his prediction of a bump of 1.25 per cent in the inflation rate when the GST goes into effect does not even include the inflationary effect of wage settlement pressures?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I believe the hon. member keeps forgetting that the prices of many items will go down considerably. Food prices, for example, will go down.

This is part of the problem: they tell us that Canadians do not support the GST but they go around describing it in a way that would make it unacceptable.

The truth of the matter is that our GST reform is precisely designed to tackle this issue to make sure that the lower income people are fully protected and better off after.

Indeed, with people behaving in a responsible manner, I am fully confident that our provisions will prove themselves to be right.

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FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Yesterday the Minister for International Trade told the House that any export permits issued to B.C. herring processors would have been due to our shortage of freezer capacity.

Local DFO officials were telling processors in the days immediately prior to March 10 that export permits would not be issued. They knew we had adequate freezer capacity.

Will the minister explain to the House what role his department played in the discussions, whether or not he was consulted by the Department of External Affairs and, if so, what recommendations were made by his ministry?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, indeed we were consulted by the Department of External Affairs on this issue. We were made aware that there was a need to allow for the export of roe herring to the United States because of the freezing capacity.

• (1450)

This is the condition. The condition of all export licences granted is that the fish be brought back to Canada for processing and we have the undertaking of the processors, the exporters, in that regard.

I do not see where the member sees a problem with this.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, those assurances from the processing companies with 80 cents will get you a cup of coffee in the cafeteria. Right now employees of the B.C. Packers plant in Victoria are receiving their lay-off notices, and that freezer plant could have handled a lot of the pounds that are being shipped.

Regulations were issued late on Friday evening; 107 permits were issued early Saturday morning to ship 3,400 tonnes, 7.5 million pounds or 11 per cent of our total expected catch for 1990.

The trucks are rolling. The fish are leaving. The jobs are reappearing in Washington State.

The previous Minister of Fisheries and Oceans and the former Minister for International Trade assured us that no jobs historically held in the B.C. fish processing industry would be lost. What assurances will the present minister give to the B.C. shore workers that he will make sure B.C. fish processing jobs will be secured for Canadians?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the position is quite clear. In order to handle the herring it has to go through an individual quick freezing method, and there is a limited capacity in B.C. to freeze herring.

There is a TAC of about 30,000 tonnes of herring which may be caught very quickly. There is a limited number of export permits being issued on the condition that the herring will be shipped to the U.S. for freezing only and returned to Canada for processing. Each time an export under a valid permit is made it has to be reported to External Affairs. When the fish is returned to Canada the reimportation must be reported to External Affairs and verified with documentation. This is to ensure that roe herring caught will not lie on a dock and rot because the freezing capacity is not there.

Finally, the B.C. Packers plant that is being closed is being closed because of high costs, a shorter trolling season and the shifting of the fishery to the north. That is the reason for the closure, not the specious and false reasons just given by the hon. gentleman opposite.

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AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture.

Yesterday the government revealed its proposal for Article XI negotiations at the GATT in the multilateral trade negotiations this year. It is a rather vague document, although we are glad to see the government finally reveal its position with regard to Article XI and the support it will provide to dairy farmers of Canada.

Is the minister willing to make a commitment here this afternoon that the government will not allow imports larger than those recommended by dairy farmers of Canada and the almost 40,000 families who depend on those import controls to have a viable industry?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, on occasion after occasion we have given our commitments to the farmers of Canada who were interested in this issue and to other interested people that we are going to be fighting, as we did with the presentation we made yesterday, for a clear and effective Article XI(2)(1)(c), and that is just what we are doing.

We are glad to see the support that we are getting from dairy farmers. Richard Doyle of the Dairy Farmers of Canada said: 'It is the first detailed proposal on

Article XI by any country, that they came out with this is a big step".

If the Dairy Farmers of Canada think it is a big step, why does the hon. gentleman not accept the fact that it is a big step.

Canadian Federation of Agriculture President, Don Knoerr, said that our proposal is close to the position worked out at its annual meeting and that it offers a good balance between domestic and export interest groups.

The dairy farmers of Quebec are taking the same position, so I think we can say there is just about unanimous approval.

Mr. Maurice Foster (Algoma): Mr. Speaker, you will note that the Minister for International Trade did not respond to my question.

Richard Doyle and the 40,000 dairy farmers he represents have recommended to the government that the volumes of imports be limited on a value basis to 5 per cent or on a volume basis to 3 per cent of the Canadian dairy industry.

Is the minister willing to make that the bottom line, or is the government going to sell out the farmers of Canada? That is all I want to know.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman has just lately come to an intense interest in this issue. He did not want Canada to put a proposal forward on Article XI at all until there was a GATT panel decision that he did not like.

They do not like the GATT when there is a panel decision they do not like. They do not like the U.S.-Canada Free Trade Agreement, and now he apparently does not like our presentation on Article XI. Everybody else likes it.

The hon. gentleman will have to wait until negotiations are completed. We will only agree to what is in the best interest of our supply management system and Canadian agriculture generally.

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CURRENCY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister of State for Finance.

Nova Scotians were honoured a few years ago when the beautiful beach at Lockeport graced our $50 bill. When we found it was not going to happen we were disappointed, but we felt we were moving up in the world when they put the historic town of Lunenburg on the $100 bill.

Now we are told that that is to be no more. It seems our goose is cooked, because they are going to put the Canada goose on the $100 bill. All Nova Scotians are outraged.

Given that the geese will not be offended if they are not on the bill but Nova Scotians will, given that the geese do not vote in Canadian elections but Lunenburgers do—

Mr. Speaker: Perhaps the minister would like to respond quickly.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I should like to tell the hon. member that the Bank of Canada did not have any intention of reflecting negatively on the good people of Lunenburg. However, in 1986 the Bank of Canada indicated that it wanted to change the design and go to a more simple design for two reasons, basically.

The first is for new security features against counterfeiting, and the second is to assist the blind and the visually impaired to distinguish among denominations. These are the reasons for the changes.

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TRANSPORTATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of Transport.

As he knows another day has gone by since the Federal Court quashed the licence to build a dam on the Oldman River. To make things worse, the Government of Alberta maintains that it does not intend to stop the work on the dam on the Oldman River.

Could the minister give assurance to the House that he intends to proceed and inform the Government of Alberta that all the work on the dam on the Oldman River must be stopped, using the powers he has under the Navigable Waters Protections Act?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as all members of the House know, the decision with respect to the Oldman River if it is upheld in the court, should it be appealed—

the province of Alberta has indicated its intention to request leave to appeal—would certainly have very widespread ramifications not only for this project but for others.

Consequently, representatives of the Departments of Transport, Fisheries and Oceans, Environment and Justice have been meeting and will continue to meet in order to study the judgment and its ramifications on this and other projects.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the ramifications of this decision were known to this government a long time ago when the Prime Minister, the Minister of the Environment and other ministers of the Crown subscribed to the notion of sustainable development at home and abroad. This is no excuse to give us in the House today.

My supplementary question is again for the Minister of Transport. He has received a request from an organization in Alberta called The Friends of the Oldman River. They are urging him to take action and to stop the construction of the dam.

• (1500)

Will the minister be a friend of this organization and inform the Alberta government that the work must be halted immediately? Or does he want to let the organization do the work for him?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the parliamentary secretary has answered the question. This is a decision with far-ranging implications. I think that the people of Canada—all those interested, such as the people of Alberta and environmentalists would want us to take every look at it that we can in order to come up with the best decision as to how to proceed. We have no difficulty with doing that and explaining to the people of Canada that we are taking that kind of a look at it.

* * *

AGRICULTURE

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

Premier Devine and the minister have been leading western Canada to believe that a cash program will be forthcoming to assist producers in putting in the crop this spring. However, no program has yet been announced.

Tonight, the minister and the premier are meeting with bankers in Toronto to discuss the agricultural debt. How does this meeting affect the expected cash pay-out? When can western Canada expect this promised pay-out to materialize?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we have received the report of the federal-provincial committee that has assessed the current situation. We are evaluating it and looking at various options that might be considered.

The meeting tonight with bankers and Premier Devine is to discuss some of the long-term farm credit problems that exist within the province of Saskatchewan and to look at some options there as well.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, western Canada needs stability, not political gamesmanship. The agricultural industry is clearly in crisis. Prairie cities, towns and villages are in a desperate situation. The net-out migration from Saskatchewan alone is some—

Mr. Speaker: Given the time I would like the hon. member to put his question.

Mr. Laporte: My question, Mr. Speaker, is this. Given the fact that there has been a tremendous out-migration from western Canada, will the minister be telling Canadian banks today that they should be treating western Canada with the same compassion that they are treating Third World debtors with the restructuring program that is taking place there?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I can assure the hon. member and other hon. members of the House that we are working on this very serious problem at the present time.

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[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, and now for the customary Thursday question: we would like to know what the government's order of

business will be in the days to come, and I would like to ask the minister whether he could inform the House what the business of the House will be during the next few days, until next Wednesday or Thursday?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, tomorrow will be an allotted day.

Next week on Monday and Tuesday we will start with third reading on Bill C–48, the crop insurance bill, followed by report stage on C–56, the Small Businesses Loans Act.

I will then call second reading of Bill C–65, the borrowing bill. Wednesday next week will be an allotted day.

* * *

POINT OF ORDER

DEMONSTRATIONS ON PARLIAMENT HILL

Mr. Rod Murphy (Churchill): Mr. Speaker, I have given notice of this issue to both parties. It involves house business and relates to the new regulations with regard to demonstrations on the grounds of Parliament Hill.

I would ask the government House leader recognizing, first, that the request for new regulations came from the Hill, and the need for safety and to ensure that there is unimpeded access to the buildings by MPs, their staff and, more important, emergency vehicles. In view of the concern that a number of people in this House from all parties have with regard to demonstrations and the ability of Canadians to come to Parliament to express their views, and considering the fact that the regulations which were produced have not been the result of a thorough consultation among the parties, will the minister refer this matter to a standing committee?

I ask this to make sure that the regulations meet the needs of the safety of the people working here, but also to ensure that the public has a legitimate right to demonstrate on the Hill, specifically that they have the right to demonstrate on the outside far central staircase, something which is not very clear if you read the regulations.

The central staircase is outside the building. It has been used for public demonstrations, for speeches by the Leader of the Opposition, as well as other political figures. I would like to ensure that we have a thorough review of these regulations so that the public is protected.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this decision preceded my assuming my present position on the Board of Internal Economy.

According to the minutes of a meeting of the Board of Internal Economy of November 22, 1989, there was in attendance the House leader of the New Democratic Party. The member for Kamloops was there, as well as the then House leader for the Liberal party, the current Leader of the Official Opposition. There was as well representatives from our party, of course.

A request was made that the Speaker on behalf of the Board of Internal Economy write a letter to the Minister of Public Works requesting that the Public Works nuisance regulations be amended to permit the Minister of Public Works to designate specific areas on Parliament Hill for holding demonstrations and other activities, and to allow the minister or a peace officer to prohibit or evict any persons not complying with the order.

Clearly, the message from the Board of Internal Economy indicates that there is the desire to provide a space on Parliament Hill for demonstrations. There is a legitimate desire to provide space for those demonstrations. The Department of Public Works has done that. There is a process for regulations that takes into account public input, public reaction. There is that opportunity.

What is being done is to deal with the public's obvious right to come and express their views, but also with the clear nuisance factor as well as safety factor that arises from persons, in my opinion, exceeding in some cases what is reasonable and appropriate. Having an office on that side of the building, I am sometimes unable to open my window. In fact, I am sometimes unable to work with the window closed because of the volume of noise. After a year and a half the message, if there is one, is heard.

I do not think it is a terrible intrusion. It was unanimously agreed to by all parties, including the hon. member's party, to say that perhaps these demonstra-

tions should not be so as to make it impossible for other people to perform their equally legitimate duties.

Mr. Murphy: Mr. Speaker, on the same point—

Mr. Speaker: I will listen to the hon. member for Churchill, but very briefly. This is going well beyond a point of order. It is getting into debate. Perhaps the hon. member has a very brief point. I am bound by the rules, as are we all.

Mr. Murphy: Mr. Speaker, my further comments are going to be very short and very brief as you requested.

I understand that it was a Board of Internal Economy request that there be some regulations. I understand that there was a request that there be some area guaranteed for demonstrations.

My concern is that the actual regulation that came out, first, allows too much discretion by the minister on this issue. Second, the traditional area—

Mr. Speaker: I have been very patient here. The hon. member for Churchill has raised a matter concerning some regulations with respect to demonstrations on the Hill. There has been at least some response from the hon. minister, the House leader of the government.

I am going to ask hon. members to discuss this matter among themselves. If it cannot be settled, then of course I will hear hon. members again. This is no longer a point of order. This is a debate. I must be bound by the rules as we all are.

CORRECTION TO HANSARD

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise on a point of order. It is rare that I rise in this House to make a correction to *Hansard*, but there was an error made in the debates as reported at page 9247. In the column on the left side of the page, about the third paragraph down I was speaking about the government House leader in the course of my speech the other evening. The sentence was seriously misunderstood.

I would like to read the corrected sentence. It should be: "He got completely confused and obviously he completely befuddled every other member of the government who spoke on this subject because they have all agreed with the nonsense he spouted out yesterday, saying that the Senate was somehow acting improperly".

• (1510)

Mr. Speaker: Could I ask the hon. member if that is what the hon. member said?

Mr. Milliken: I may have said that, Mr. Speaker. What *Hansard* reported was the word "opposition" instead of the word "government". Of course the government House leader did not befuddle the opposition; he befuddled his own members.

Some hon. members: Oh, oh!

Mr. Milliken: The difficulty I am in is that if I said it it was because of the braying that was going on at the time and I was getting confused.

Mr. Speaker: Given the sentence that the hon. member read out, I have heard exactly the same sentence used on both sides of the House within minutes of each other.

Mr. Milliken: I just wanted to get the record straight.

Mr. Speaker: I am sure that somebody will do the very best they can to straighten up the record. I thank the hon. member for his intervention.

GOVERNMENT ORDERS

SUPPLY

ALLOTTED DAY, S. O. 81—REGIONAL DISPARITIES

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

> That this House condemn the government for its failure to protect, support and promote the regional economies of Canada, in order to eliminate regional disparities in the Atlantic provinces, northern Ontario and western and northern Canada.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, I would like to enter this debate to speak on the supply motion before the House today. We have a unique opportunity this afternoon to correct the record on economic development programs put forward by the federal government in northern Ontario. That is what I would like to concentrate on in my remarks this afternoon.

I want to take as a text for making these remarks a very erroneous statement make by the member of Parliament for Kenora—Rainy River who slammed the federal budget, as the Kenora *Daily Miner* states. The member said that the budget will seriously erode business opportunities in northwestern Ontario. He implied that the future of FEDNOR was bleak. There were even some comments from members of his party to the effect that FEDNOR was going to cease operations.

Nothing could be further from the truth. In fact, FEDNOR has gone from success to success. It has made an immense contribution in northern Ontario, a contribution which is micro by micro as opposed to just a big macro splash. It has affected dozens and dozens of different communities by helping the small business sector in those communities.

I have some numbers which I really think I should introduce before I take a few minutes to explain what the program is doing. I will have to do that because of what I have heard this morning when there was a lot of erroneous information about what FEDNOR ought to do.

There have been 323 projects approved by FEDNOR since its inception. There has been over $22 million in federal assistance and almost 2,000 jobs have been created. This is an expenditure which in a city, for example, of 10 million people might not be noticed. But in northern Ontario where the population is a little over 800,000, the vast majority of enterprise is small business, this is a very significant contribution.

This program has been chaired by the king of northern Ontario, Leo Bernier, a former minister in the provincial government of Ontario for many years, who understands the north very well and who is sitting beside the clock up here, Madam Speaker. He might even wave to you.

He has worked very, very hard for northern Ontario for decades. He has done a careful, perceptive job in making sure that FEDNOR is understood and that it is accessible to the small business community in northern Ontario.

Some hon. members: Hear, hear!

Mr. Hockin: Before I go to just any kind of dry description of what FEDNOR is, I have to tell you one of the proudest moments I have had as a minister was going to North Bay just a few months ago to announce the opening, with the very significant help of FEDNOR, of Mirolin Industries. Let me just tell you something about that announcement.

Mr. Mills: Was it a joint announcement with the member?

Mr. Hockin: Yes, the member was there, and he was delighted. Instead of sitting behind the hon. member opposite he was with me that day in North Bay. This announcement was typical of what we are trying to do in northern Ontario.

There was a company operating in the suburbs of Toronto and it had to expand. It had three or four problems with expanding there. One was the cost of property. Another was getting clearance on a railway siding which was absolutely crucial for the success of this company. The other was to get expertise and labour with a good work ethic and prompt response to the company's ads for labour. Of course, the company had to build the facility in good time at a good price.

It found that it was very difficult to accomplish that in its existing location. It placed an advertisement in the North Bay newspaper, advertising these jobs that might be available. It received over 600 excellent responses from educated, hardworking people who wanted to work for this company. It found a good property on the railway and together with help from FEDNOR and the province, which helped with a loan guarantee, we suddenly were able to make an announcement of 319 new jobs being created in North Bay.

I want to say something else which is very important to my hon. friends opposite. That particular program is typical of most of the programs that FEDNOR has pursued. We did it in co-operation with the provincial government of Ontario. This has not been a program where there has been tremendous rivalry between the provincial government of Ontario and the federal government of Canada. In fact, it has been very co-operative. There have not been games played.

I am frequently with the ministers René Fontaine or David Ramsay making these announcements. It is the same taxpayer that is paying for this. It is the same taxpayer in northern Ontario who will benefit from it, and we have worked together. I say this to the member for Kenora—Rainy River. We have worked together very well with the provinces. It is not right to overlook that,

because that is the kind of federalism I am sure he would like to see.

We have had some successes from which I think the provincial government could learn. First, the "Buy North" program announced by the provincial government two years ago in northern Ontario has had a sluggish beginning and still is having some difficulty in getting under way.

The federal government has a procurement program that has been working very well. Officials from the Government of Canada have been going through northern Ontario trying to find people to bid on federal government work. In fact, there will be a special symposium for this in May to be held in Ottawa. We will bring suppliers from northern Ontario to Ottawa to show their skills and wares here. We have been off the mark very quickly and very intensively to make sure that FEDNOR works from the point of view of procurement.

The hon. member for Kenora—Rainy River will be very interested to know that the chairman of FEDNOR is not somebody from London, Ontario, or Ottawa. He is from Hudson, Ontario, which is just outside Kenora. The chairman of FEDNOR has an understanding of northern Ontario, and an understanding of working with provincial governments, something which has helped this program immensely.

We have tried not only to deal with the hundreds of applications, we have also tried to make FEDNOR adaptable and supple when a crisis occurs. There is no way that FEDNOR can answer the whole problems of a mine closing in Elliott Lake when over 1,000 people are put out of work. There is no way a small business agency like this can totally answer that problem.

We have moved, for example, with considerable despatch in Timiskaming. The hon. member for Timiskaming has spoken often in the House of the problems they face, such as the closing of sawmills and mines. It has been really quite acute in the Timiskaming region which has been suffering unemployment of over 15 per cent in the last few years. We have put a special FEDNOR task force in place there. We have tried to speed up applications from that region to make sure that the Timiskaming region can be dealt with. We have put dozens of projects in there in the last two years. We have created hundreds of jobs. Just a month ago I announced a very important contribution to the Pyrok Company and the Diamond Lake Company. There are also certain offices of Veterans Affairs moving to Kirkland Lake. FEDNOR has sort of helped be a catalyst for this.

• (1520)

I would like to say to my hon. friend, the member for Algoma, that we are going to try to do the same thing with Elliot Lake. Next week we are going to have a special subcommittee of the FEDNOR board chaired by my hon. friend, Leo Bernier, who is going into the Elliot Lake region to see what we can do there.

Ordinarily, Madam Speaker, one might think that this is window dressing. But when you see how that particular approach worked in the Timiskaming area, you have to believe that it holds promise as well for Elliot Lake.

When I take a look at the Elliot Lake infrastructure, it is a magnificent one. It was really built to be a larger city and to house an even larger population than it has now. I think it has potential if we look at it carefully. We will do studies, together with entertaining small business proposals for that area.

I know the member for Kenora—Rainy River who spoke on this motion this morning is interested in tourism. He is somewhat negative about tourism. He does not think that we should put an emphasis on tourism in the FEDNOR program.

In fact, I announced over $8 million to the new tourism additional program before the end of the year. It has been very well received. He should speak to the northern Ontario tourist outfitters, for example, which has been very much in favour of this program.

The reason why we have added a special program for tourism to FEDNOR is this. We find in northern Ontario, northern Quebec and northern Manitoba—the northern part of this great country of ours—that we have to diversify the economy. It is absolutely overlooking an immense potential of Canada to overlook the great opportunities for tourism.

We want not just to develop another fishing lodge, or another golf course. We want to have a comprehensive approach to this and, of course, we have announced it.

FEDNOR, which was established in 1987, has been an immense success. I see its reputation for effectiveness is growing. We have recent public opinion surveys that indicate a large number of people in northern Ontario know about FEDNOR now. We want to see it grow from strength to strength.

No other province has a special federal program designed for the northern tier of the province. We have that for northern Ontario. Northern Ontario has that economic board, FEDNOR. It is doing a tremendous job. That is an indication of the importance in which the federal government holds northern Ontario in the life of our country.

The Acting Speaker (Mrs. Champagne): There is a five-minute question and comment period.

Mr. Maurice Foster (Algoma): Madam Speaker, I am pleased to hear from the minister this afternoon and to know of the plans with regard to FEDNOR. I just have a couple of questions. I know that we have a limited amount of time. I concur with his desire to assist in the difficulties that communities such as Elliot Lake face in providing special assistance with regard to incentive grants for small business. I wonder if he could clarify a couple of points in that regard.

In communities like Elliot Lake we are not talking about 200 or 300 jobs being lost or trying to create a couple of hundred jobs. We are actually talking about over 2,000 jobs in a community with a workforce of 3,600. Will the FEDNOR board and the chairman, Leo Bernier, be empowered not only to expedite grants under the FEDNOR small business incentive, or the other programs that are now there, but also to have a co-ordinating role with regard to major federal-provincial agreements? Ministers from the province of Ontario such as René Fontaine are saying to us: "You know, we are facing the loss of 2,000 jobs here in the next 12 months, what are the feds going to do? " That is what I have been trying to determine. For instance, I have suggested that we have not only a special allocation under the community initiatives fund of the Community Futures Program but, as well, if there are major economic developments that we can suggest, will the federal government and will the FEDNOR board act as the co-ordinating agency to put together larger projects? We have a very capable board and chairman there.

I appreciate the comments the minister has made with regard to incentive grants, but I think it is hard for most people to imagine that a program like FEDNOR which has to deal with an area that represents 88 per cent of the land mass of northern Ontario, has created only 2,000 jobs. We are appreciative of those but we are talking about the loss in Elliot Lake of 2,000 jobs in one community. I wonder if the minister could clarify that. That would be really useful.

The other matter that I wonder if he could clarify relates to page 12 of the budget where it states:

> We are taking a more businesslike approach to assistance to business. With limited exceptions, grants will be eliminated and financial assistance will be repayable on more rigorous terms.

There has been a great deal of misunderstanding concerning this. Most of us believe that the grants are being eliminated by FEDNOR. Will grants still be available?

The Acting Speaker (Mrs. Champagne): If the hon. member wishes some answers to those questions, he may want to leave time for the hon. minister.

Mr. Hockin: Madam Speaker, I would be very happy to respond to my friend's questions. The first thing I should do is reiterate what I said before. FEDNOR itself cannot through countless grants to small enterprises ever absorb the 2,000 jobs directly, and he knows that.

What we could do is play a co-ordinating role, and I like his suggestion. That is one reason why we are sending this subcommittee of the FEDNOR board there next week. It is to take a look at what we may be able to do in terms of giving leadership comprehensively.

The federal government in the past, and you saw this in Sudbury just a few weeks ago, has taken a major initiative to build a world class science facility, the Neutrino Observatory in Sudbury. We have been able to take these lunges of leadership right into the heart of new opportunities internationally and put them in northern Ontario.

The funds through FEDNOR are of course limited. There would have to be a new agreement with the provincial government if we were going to do something in northern Ontario of a great bulky or megaproject nature. I would encourage the province to respond if we were able to come up with a proposal.

Let me just answer with a couple of caveats here. With respect to the money that the Northern Ontario Development Corporation, NODC, and the provincial government's Heritage Fund, is getting instead of stumpage on lumber, quite frankly, there does not seem to be a co-ordinated approach to those funds. I am disappointed with that. NODC has been very co-operative with us in terms of FEDNOR, but most of their contributions are loan guarantees or repayable loans. That, I have to say to my hon. friend, is not the answer to 2,000 jobs.

We have to get the provincial government—and I wonder what my friend the member for Kenora—Rainy River would say—to take a more comprehensive, rather than just a loan guarantee approach to what it is doing in northern Ontario. I would urge that we have an intensive discussion of that after we get our subcommittee from the FEDNOR board back from its visit to Elliot Lake.

I should not let the hon. member forget all of the things we have been able to do in that region. I have listed here absolutely dozens of investments that FEDNOR has made for small businesses ranging from $14,000 for a small food and beverage operation to $250,000 for a retail store. These add up to jobs. We must not give up on this either.

In the interim we must target Elliot Lake if we can through FEDNOR, as well as do what we can to come up with a comprehensive plan.

• (1530)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Madam Speaker, let me do as my colleague just did and speak on regional development as it relates to western Canada.

I want to read the motion. It states:

> That this House condemn the government for its failure to protect, support and promote the regional economies of Canada, in order to eliminate regional disparities in the Atlantic provinces, Northern Ontario and Western and Northern Canada.

The motion itself does not contain any suggestion as to what, in fact, the opposition would do differently or, presumably, do better. I have listened to the debate and the comments coming from the opposition side of the House and have not heard any suggestions as to what we have been doing right or what the opposition members would do differently if they were in the position of government.

Let me also point out what we are dealing with. In western Canada, we have been dealing with largely a resource-based economy. Roughly 50 per cent of our exports go to the United States. Something like 85 per cent of our exports out of western Canada are resource-based, exported in relatively a primary form without a lot of value-added. We have been dealing with some very difficult market situations. I would like to point out how difficult they are so that we do not underestimate the problem.

I have had a chance to be in touch, on a regular basis, with the Prairie Farm Rehabilitation Act people who are located in Regina. In looking at the weather statistics, they tell us that of the six worst years in western Canada as far as weather is concerned—going back to when we first started to keep records in the country—that five out of the six worst years have been in the 1980s, 1937 being the exception. Take 1937 and five years out of the 1980s and those were the six worst years that we have had weather-wise on the Prairies. Also consider that a big part of what we do in western Canada is directly related to agriculture. It is obviously a resource industry.

Against that back-drop of how bad the weather has been and all of what has happened in commodity prices, whether it is oil or some of the metals—lumber is somewhat of a different story—listening to the opposition, one would think that everything was terrible. Well, there is no question that there are problems, but, if one looks at some of the numbers, they do not bear out what the motion says and what we have heard to date in this debate.

In point of fact, Manitoba and Alberta have the second-lowest unemployment rate in the country. Over 400,000 jobs—new and, 85 per cent of them, permanent jobs—have shown up in western Canada in the last five years.

What I do not understand is that they can be critical of us and tell us we can do better, but put it in some perspective. Things are not as bad as they make them out to be. Second, if they are that bad, then tell us what you would do differently. All we hear is: "Spend. Spend more money. Get us out of the problem by spending money." Well, if in fact that was going to solve our problem, one would think that with the mountain of debt that we are carrying in the country, accumulated over a period of years, that that would have solved our problem.

Big debt, I think we have come to learn rather graphically and dramatically, is not self-liquidating. It turns out to be, as we find, self-perpetuating. If we let it go and do not deal with it, I would suggest that it can be self-liquidating. It can cause all kinds of problems for us. So, within that back-drop, we have begun to bring some sense about it as far as government spending is concerned and we have begun to reduce gradually the over-all deficit which, I think, is what most people want us to do, and with that we are going to see some results.

Think about that. We have begun to reduce government spending. At the same time, the government has supported the average family farm on the Prairies to the tune of something like $30,000 each over the last five years. We have done that. So, to suggest and condemn us out of hand, without putting some of those things in place so that we can have a reference point for which to criticise us, does not make a lot of sense. To talk specifically about my responsibilty with Western Diversification, I do not think that the opposition understands what Western Diversification is.

Let me give you a quote from the hon. member for Winnipeg—South Centre who elected to this place in 1979, at the same time I was. Here is what he said after the budget of the Minister of Finance last February, as reported by a Winnipeg newspaper:

> The Western Diversification Initiative is "being gutted" by shifting from grants to loans, the Winnipeg—South Centre MP said.

This is absolutely incredible. This member has been in this House for 11 years. He has been here since the inception of WD, and he says the outfit is being gutted because we are no longer going to do grants. Eighty per cent of what we have done from day one has been loans. We do very few grants. Surely to goodness we can expect better than that from the opposition members. It is bad enough that they criticize us and do not want to use the whole story, but to come out and make an obvious error like that tells me a lot about some of the homework they do. We do not do grants as a rule of thumb. We never have. Surely, we can expect them to do a little bit of homework when they want to be critical of us. I have given up on expecting them to give us any suggestions as to alternatives.

Let me tell you what we do. This is first time ever that we have had a deputy minister of a full department of the federal government located in western Canada. Have you ever talked about that? Four assistant deputy ministers are located in western Canada because we believe, if you are going to deliver regional development programs, the best place to administer them is in the area we are trying to help and it is easier for people to come to see us.

An hon. member: Right on. Get them out of Ottawa.

An hon. member: In the regions, for the regions.

Mr. Mayer: A full deputy minister of a full department of the federal government is located in Edmonton. There are four assistant deputy ministers, one in Winnipeg, one in Saskatoon, one in Edmonton and one in Vancouver. Did anybody ever talk about that? We also have an assistant deputy minister of Agriculture for the first time located in western Canada.

In the gain and oilseeds business, Winnipeg used to be the centre for North America. One can now make the case that, if there is a centre in Canada, it is in Winnipeg. It makes a lot of sense to have the grain and oilseeds policy branch of the Department of Agriculture located in Winnipeg. That is what we have done. Has anybody ever talked about that? No, no.

We do loans. We do small loans and big loans. We are very flexible. We try to restructure the payment schedule around the individual business. If we make a loan and there is going to be increased returns as a result of the loan, immediately we will structure it so that repayment starts quickly. If it is going to take a little longer, then we will wait one, two or three years, in some cases, before we want repayment. We try to structure it on the basis of the individual company.

Let me say a little bit about trade. Everybody talks about the free trade agreement and how terrible it is. Think about this: 50 per cent of the west's exports go to the United States. In Alberta, it is something like 70 per cent. It makes sense to have some trade rules with the

Americans so that we can have a little more secure access.

Let me just read a little bit out of a *Winnipeg Free Press* story of last week. There is an outfit in Winnipeg called Versatile Equipment. It started out manufacturing swathers and sprayers. Back in the late 1950s, I bought one of its sprayers as a farmer. I still have it and that tells you about the kind of equipment it makes. That makes it 30 years old. It is a good piece of equipment. Laterally, in the last 15 years, it has begun to manufacture four-wheel-drive tractors. It is a leader in its field. Its tractors under 40 hp are made mostly in Japan, worldwide and some in Europe. Those between 40 and 100 hp are made in the United States. Above that, the tractors are made in the United States and Canada. We have better trade rules for these people as far as access to the U.S. market.

For those of us in the west who are connected with agriculture, the GST is going to be a net benefit to the agricultural industry. We estimate that, because of the way the GST is going to work, there is going to be somewhere between $200 million and $250 million of direct net benefit to the agricultural industry right across the country. Here is how Versatile views the GST and how it is going to affect them.

> The Winnipeg plant produces four-wheel-drive heavy tractors, swathers, and industrial front-end loaders for Ford New Holland's 5,200 dealerships around the world.

Versatile has had some financial problems and it has been restructured as a result of Ford New Holland coming in to be part of their operation.

The article continues:

> The GST, which is geared to help export-oriented manufacturers, fits Versatile like a glove. More than half the Fort Garry plant's outputs are destined for American, Australian and European markets.
>
> "Any country that has a VAT-type of tax—

—which is what the GST is—

> —is by definition trying to get an advantage in export markets vis-a-vis countries which don't have a VAT—
>
> "To that extent, the GST brings Canada into line with most of Europe, Mexico and various other countries."

• (1540)

It goes on to state, and I will conclude with this point:

> He said the cost the tax added to the price of a Versatile tractor now—

—and here, he is talking about the present manufacturer's sales tax—

> —may be the difference between being cheaper or more expensive than its major American rivals.

Here is a case of a western company, that is a leader in the world and is hooked up with Ford New Holland with 5,200 dealers around the world, is going to have an advantage because of the GST over the present manufacturer's sales tax.

I will conclude on this point. It is one of the things that we have done in the government that makes me particularly proud to be part of this government. We have taken the case that we have at GATT on behalf of our farmers very, very seriously. Fifty per cent of every income dollar that a Canadian farmer earns comes from exports. Canada is a country of 25 million people. If we cannot have better rules and fewer subsidies around the world for our farmers to compete against, then we indeed have problems when we look down the road. There is another thing that we have done in terms of regional development. We have taken some of these things seriously.

To conclude, in looking at our record, one may want to say it is not perfect, but it is not that bad. We have created over 400,000 direct jobs in the last 10 years—not part-time jobs, but direct jobs. Western Diversification, designed to diversify western Canada, is responsible for about 20,000 of those 400,000 jobs. GST is going to benefit manufacturing in western Canada and a big part of what we do goes into the export market. We are going to control our deficit and get interest rates under control as a result of controlling the deficit. As I indicated here and there are many more examples of it, clearly the GST is going to help industries in western Canada that need to compete on the export market. That is a pretty good record on behalf of western Canada as far as regional development is concerned. There are a lot more things I could say if I had the time.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I listened with interest to the remarks of the minister and I do not question at all the sincerity with which he approaches his job, nor would I want to be one

of those who does not recognize that some positive advances are made from time to time. However, I represent a constituency in the province of Saskatchewan, and I think the government does have something to answer for, at least in respect of that province. I am talking about the failure to renew ERDAs.

As the minister knows, the province of Saskatchewan lost 23,000 people from its population last year. That is the equivalent of some of our largest communities. In fact, Saskatchewan has only four cities that are bigger than 23,000. Three hundred of the 500 communities in that province lost population last year, so it is an urgent situation.

The existing Economic Regional Development Agreements, ERDAs, were originally scheduled to run for 10 years. The first five years were up last March 31, at the end of the fiscal year, and people had done their planning on the basis that there would be another five-year renewal. The minister said at the time that the negotiation of new agreements was just around the corner. When asked about it again later on in the summer, negotiation was just around the corner. I am starting to think that this building is an octagon. There are always more corners to go around to get to see the actual ERDAs. When is the government going to get serious about renegotiating those ERDAs?

In the area of minerals, they have kept small exploration companies They have now been nailed by the elimination of the flow-through share program. In the area of forestry, not only are we not catching up, but with the forest fire devastation and so on, we are falling even further behind. In the area of northern development, a lot of good initiatives in the community development corporations, and so on, that were just getting up a head of steam are being allowed to stagnate. In the area of tourism, which does hold some potential, a lot of projects are stagnating. There have been a lot of positive suggestions made around the idea of supporting local economic and sectoral organizations so that small communities and small business can get involved in organizing their sectors to be more competitive and to access big programs like WDO. If the commitment is so serious, how can we have waited a whole year and still have nothing in sight? In fact, we are being told once again that this building has another corner.

Mr. Mayer: Madam Speaker, we do not have to get serious about negotiating ERDAs. We have always been serious and we have said so right from the budget in April, 1989. The provinces are well aware of our position.

I will be straightforward with the member. It has taken us longer than any of us would have liked, or I would have thought at the time, to get the final paperwork done to get everything in place. In the meantime, he should know that there is regular western diversification programming going on in the province of Saskatchewan. It is pretty significant in some areas. He should also know that there are some fairly exciting projects in the pipeline that we are looking at with province of Saskatchewan that will be of direct benefit.

We have $242 million still there. We do not operate on the basis of spend it or lose it. The money is not rotting. It is there. I have met with representatives of the province of Saskatchewan as recently as a month ago to go over where some of their priorities are. We are both getting ourselves geared up so that once we have our final paperwork done that we will be in a position to sit down, be specific and sign the agreement.

The province is not chomping at the bit to sign these agreements because some of the other money is still flowing. There is regular programming under Western Diversification and they are satisfied that the money that we were allocated to use in ERDA-type arrangements last April is still there. I have never used the word "corner". We are getting closer and closer all the time to signing those agreements.

Mr. Maurice Foster (Algoma): Madam Speaker, I am pleased to have a chance to speak in this debate this afternoon which is of vital importance to every member of our caucus, to every member of the resource areas of this country, including Atlantic Canada, northern Ontario and the western provinces.

The resolution was brought forward this afternoon by the hon. member for Kenora—Rainy River because of the extreme concern there is in every part of our country with the direction that we are going, whether we are talking about transportation across these regions and VIA Rail, the dramatic cutbacks in the funding of ERDAs, as has been raised by the hon. member from Saskatchewan, the fishery problems in Atlantic Canada, or the tremendous problems that western farmers face because the government is not willing to make a commit-

ment as to what financial support will be provided to them in a timely manner.

Last week I met with a group of members of the Saskatchewan Pool who described the kind of malaise and tremendous concern there is because the government simply will not make up its mind whether it is going to provide any support or not. The night before I was meeting with this group of pool operators and producers, the Premier of Saskatchewan came on the air on province-wide television to pleaded with the federal government to provide financial support and assistance. That is what makes the whole speech by the Minister of State for Grains and Oilseeds such a joke. The Tory Premier of the province was pleading with the federal government on a province-wide hookup. It is a spectacle that no one would ever imagine. The sad part of it was that it had not come because he had not been able to have a meeting with the Prime Minister, the Minister of Agriculture, or the Minister of State for Grains and Oilseeds. He had had his meeting and struck out. They were turning him down and he was demanding support.

• (1550)

I think we are dealing more with the regional development programs of the country. We can sketch across Atlantic Canada with the tremendous cutbacks it suffered a year ago, the kind of critical situation which exists in the Prairies with the agricultural economy, and the kinds of difficulties we have in transportation all the way across the country.

I want to spend more time on northern Ontario. I hope the Minister of State for Small Businesses and Tourism will respond to my comments. He spoke about the FEDNOR program and the small incentive grants in such glowing terms today, and even though it is a modest program compared to the economic development across the whole country, it has been extremely useful in small communities.

The question hanging over everybody's head is whether the program is a grant or a loan. The Minister of State for Grains and Oilseeds, who is also responsible for the Western Diversification Fund, said that they mostly give loans in western Canada under that program. In FEDNOR, it has been mostly grants. The question is in everyone's mind because of the budget and the minister did not respond to that this afternoon. Is it because the budget says, with limited exceptions, it will be able to become a loan program? It simply will not be effective as a loan program with the kinds of small projects that we are dealing with in northern Ontario.

The minister is already disparaged with the NODC program. The NODC program is a loans program. When Leo Bernier and the advisory board to FEDNOR sat down to design the FEDNOR grants system, they said the problem in northern Ontario is equity. The loans do not help because there comes a point when one just does not have enough equity to support any loans. Adding another government loan is of no use.

I hope that Mr. Bernier will put great pressure on the Minister of State for Small Businesses and Tourism and use the same arguments that he used when they were setting up the FEDNOR program, that our problem is equity. For these relatively small projects, small by business standards, it is essential that we reinstate or clarify that the grant program, at least under the small rural incentive program of FEDNOR, be maintained as a grant program because it is the equity that is needed.

I cannot emphasize too much to the government its importance to communities like Elliot Lake which have suffered literally hundreds of thousands of job losses. It is not unique just to Elliot Lake. In areas like Timiskaming, as the minister mentioned, we had Corps Addison Mines signal that it was shutting down in June, 1989, with the loss of 360 jobs; another silver mine in Cobalt, 120 jobs; the Adams mine in Kirkland Lake, 350 jobs; and a mine in Temagami with 350 jobs. There are three mines which are going to have massive layoffs in Elliot Lake. We are looking at 1,600 layoffs at the Quirke and Panel mines in the next 12 to 14 months and another 450 at the Denison mines, representing over 50 per cent of the labour force. It is essential that we have a co-ordinating activity and body from the federal government. I would hope that FEDNOR would be the agency to help co-ordinate the federal government response.

We have the Minister of Employment and Immigration saying that her department will provide the assistance for the industrial adjustment activities. That is important for the individual worker, community and so on, but it deals mainly with the relationship between the worker and the mining company to ensure that the

workers have adequate tools for adjustment, retraining and severance pay.

Clearly, the mining industry in northern Ontario is facing grim times because we are not only talking about the half a dozen mines in the Temagami and Kirkland Lake area, but the ones in Algoma. We are not sure about the situation with regard to Wawa; it is another mine in the area north of Sault Ste. Marie about which there is some uncertainty in the next two years.

One of the things which the government has removed in the last two or three years is the MEDA, the Mine Exploration Development Assistance grant and flow-through shares. That program, which was instituted in the 1983 budget and implemented in 1984, in the last four or five years put literally hundreds of millions of dollars into exploration and development in northern Ontario and resulted in a number of mining operations being approved there. Without that program, I am not sure whether we are going see many new mines come on stream. I really am very concerned. There was a report in *The Globe and Mail* this morning with the headline: "Canadian Mining Facing Uncertain Future". It documents how the lack of exploration and development funds is going to have a profound impact on the development of new mines because there simply is not the kind of incentive necessary.

We have a number of other decisions in the budget which are extremely harmful. That MEDA program was done away with a couple of years ago. The CEIP program was done away with in the current budget. The incentives for assistance in areas such as northern Ontario and western Canada for oil, gas, and mineral exploration will be completely lost under this system.

A number of other programs should have been in this budget of a few weeks ago removed funding for programs like the Small Craft Harbours Program. It is a very small program by national standards. I think there is $3 million in the Ontario regions. Let us put into perspective how much the small craft industry does for the province of Ontario compared to what the federal government spends in it.

The industry of small craft harbours, when you take into account fishing boats, licences, tackle, and all the rest of it, turns back something like $150 million in sales taxes to both the federal and the provincial governments. Out of that $150 million it receives each year, the federal government provides a budget for the Small Craft Harbours Branch of only $3 million. Imagine, in an industry which is so very valuable to the whole tourism economy of Ontario, the two levels of government take roughly $300 million on a shared equal basis in sales tax, and retail sales tax from the province. The federal government obviously will take more under the goods and service tax, if it is ever implemented. The federal government turns back about $3 million in the Small Craft Harbours Branch. I am very sorry to see that decision made in the budget.

There are many aspects to regional development that are important. Small craft harbours is important in my constituency, it isn't in all constituencies in northern Ontario. Chiselling away at each department, as the recent budget did, has an extremely adverse impact on the economy of northern Ontario. Our economy is based on the resource industries and tourism. It is based on minerals; it is based on some agriculture in some areas; and it is based on forestry. Clearly, the pulp and paper side of the forestry industry for the past few years has gone through an unprecedented period of growth. While it is coming into a period of consolidation right now, it has been strong. One of the most important employers in northern Ontario is the forestry industry. In 1987 when the government signed the agreement to impose a 15 per cent export tax on the industry it drove a stake into the heart of that industry. It is clearly an incredible decision made by our government.

• (1600)

The hon. member across the way knows that if the government had let the United States impose its countervail duty of 15 per cent, or whatever, it could have been easily appealed to the International Trade Tribunal in New York, we would have won it the same as we won it in 1982. It was strictly a sell-out by the Government of Canada that was in the final stages of negotiation with the Government of the United States on the free trade deal. They thought this was a giveaway. It was a token that they gave the United States industry. In British Columbia, in order to get rid of it, the government had to impose something like $600 million in stumpage fees. In Ontario, we chose not to. It has to be a most asinine deal.

The stumpage charge that we would have had to impose to get rid of the export tax in Ontario would have had to be imposed across the entire gamut of all softwood lumber production in the province. It would not just be imposed on the 25 per cent or 30 per cent that is sold into export. We would have to impose it across the entire spectrum.

So, the Ontario government and the Ontario industry said no. There is no point in taking a much bigger bite across the whole industry which would result in an increased stumpage charge of some $75 million rather than the $30 million that it is costing now, so it goes on. The result is that communities and sawmills in communities like Thessalon, Nairn Centre, Searchmont, Dubreuilville and Hearst throughout northern Ontario are now cut off from sending those exports to the United States because it simply is not a viable proposition.

If the government had really thought—and it was not thinking very much when it made this deal—one of the problems was that the United States at that time had a great deal of difficulty in competing with our softwood lumber production. The technology was farther advanced in Canada. One of the factors was a very low dollar. You will recall that when this government first came to power the dollar dropped to something like 69 cents, certainly in the low seventies and, of course, that gave our producers a tremendous advantage.

The free trade deal was signed and part of the hidden and secret agreement was that we would raise the value of the dollar. That is why the Canadian dollar rests at about 500 basis points higher than the United States loan rates. The bank rate now is about 13 per cent now compared to 8 per cent in the United States. That was part of the free trade deal although it was kept secret. When the documents are released in 30 years time it will clearly indicate that it was a secret deal to raise the interest rates to provide for a very high dollar.

The result has been that our softwood lumber industry is getting a total double whammy. They are getting a 15 per cent export tax and the value of their product has gone down by 15 per cent. They have an incredible disadvantage and, of course, literally dozens of sawmills have shut down and have been gobbled up by pulp and paper industries and the local management lost.

There are a lot of factors involved in regional development. One is good trade policy. Another is good transportation policy. Northern Ontario has always depended on VIA Rail and rail service. What have we got? We used to have trains from Montreal and Toronto to Sudbury and the west. We used to have train service from Ottawa to North Bay to Sudbury and to the west.

What happened when the VIA Rail cuts came about is simply unbelievable. It is simply unbelievable what the government did. There was a train travelling through communities such as Sudbury, Thunder Bay and North Bay with populations of something like 400,000 people. By the time the government got through, there was one train, a trans-Canada train which missed all the big centres in northern Ontario. It travels three days a week, stopping at Capreol, going through to Winnipeg. It stops in communities with 20,000 or 30,000 population.

It will not be hard for the government to prove in a few years time that people are not using the train. It only goes through three days a week, so why do we not cut it out altogether? The hon. member for Kenora—Rainy River used to serve on one of the national railways. That is why his community and other communities throughout northern Ontario are very upset and very concerned. It is interesting that the day the government announced the cutting of VIA Rail service was two days after it had announced that Air Canada would discontinue its service to northeastern Ontario, Timmins, North Bay and Sudbury.

There are a lot of factors involved in regional development. Clearly, the screws are tightening in areas like northern Ontario whether it is in grants, transportation or regional development policy.

Mr. Al Horning (Okanagan Centre): Mr. Speaker, I want to question my hon. colleague from Algoma. When he was talking about small craft harbours, he mentioned that in Ontario there is only $3 million spent. That is incorrect. I know in British Columbia it was $6 million and in Ontario it was over $6 million. I would like the member to just check that out. He will find that $3 million is incorrect and $6 million would be more like it.

Mr. Foster: Madam Speaker, I appreciate the hon. member raising this matter. In my constituency of Algoma—Manitoulin we have about 10 per cent of all small craft harbours in the Ontario region. We have one office with about seven professionals and half a dozen clerical people looking after all the small craft harbours,

not only in Ontario where there are about 4,400 of them, but in Manitoba, Saskatchewan and the Northwest Territories.

The hon. member talks about the budget for small craft harbours and about the budget being $6 million. He may well be talking about what the government did in 1987. Essentially, what they did with the department from 1984 to 1987 was nothing. Suddenly there was a big shot of money, I think about $17 million, in the Ontario region to provide funding in preparation for the general election in 1988.

If there ever was a bass ackwards way to run a department and an industry, it is on the political kickout system. I did not say kickback, I said kickout. The hon. member is either talking about the budget for employees or he is talking about the special funding provided in 1987–88. You cannot even maintain the 4,100 or 4,400 small craft harbours in the Ontario region with an annual budget of $3 million or $4 million. That is why I am very concerned that we saw a cut–back in the recent budget of $4 million from a small agency of government which can be extremely useful in assisting in tourism.

• (1610)

In my constituency we could easily use the entire Ontario region budget. We do not get it because it has to be spread over the other 90 per cent of the projects in the Ontario region. I certainly hope that the hon. member will be making representations to the government not to implement that $4 million cut because it is not only going to hurt B.C., it is going to hurt the Ontario region. It is certainly going to hurt the Algoma–Manitoulin area where we have some 10 per cent of all the small craft harbours in the Ontario region.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, with regard to the regional development motion put forward by my colleagues, I congratulate them on raising a very important issue.

I wish to put a comment to the hon. member with regard to the sense of fairness and justice in this economy concerning the recent cuts by the Conservative government to women's centres across Canada.

In my area the Campbell River and district women's organization had 100 per cent of their funding cut. That organization played a very important role in ensuring that women could participate in the workforce in a fair and equitable way. It assisted in putting employment training and retraining programs together. They were involved in counselling services, referral services, operated a drop–in centre and provided a very active organization in support of local child care.

In addition, this organization put together the initiative for a transition house to protect women and children from family violence. It was involved in putting together programs to assist in remedying child abuse, planned parenthood and providing legal advice. This was a tremendous community service and initiative to provide services to women. This helped to get women into the workforce, to get them out of job ghettos and into fair paying jobs and to ensure pay equity. The organization was exemplary in terms of a community service and absolutely important in terms of services to women in that community. The organization also became the spark that started women's organizations in other communities in more remote areas and in single industry towns where there are no employment opportunities in many cases. It did a tremendous job.

It is interesting that this particular Campbell River and district women's resource centre was started by the present Minister responsible for the Status of Women. She was one of the key individuals who started this particular resource centre. It is ironic that she would turn around and justify the government's position for gutting the community of this tremendous resource. I ask the member of the party that brought forward this important motion today whether he feels the government should immediately restore funding for women's resource centres and whether or not that core funding should be enhanced to an acceptable level in order that the centre may do the kind of work that would provide opportunity and equality for women in the employment opportunities which would be created in a rational regional development program.

I see the Minister for International Trade in the House today. I wonder if he as an advocate of the rights and equality of women in Canada might stand up and comment on the government's position, if the hon. member for Algoma would permit it.

Mr. Foster: Mr. Speaker, I would be delighted to have the hon. Minister for International Trade stand up and defend the government's budget with regard to the cuts, not only for women's transition centres, but the cuts that were made in this budget which often hit either low income or remote areas. That is what we are talking about in this motion today, although obviously there are low income areas in cities as well. These programs that the hon. member is speaking about are very important in remote areas. I must agree with him that the funding is always extremely tight for rape crisis centres, transition houses and programs for people who are disadvantaged, not only women but aboriginal groups. There are a number of them in communities in my riding or adjacent to them.

It is as if the government is taking the disadvantaged and cutting off their ability to communicate with the country at large or to communicate with the larger community. It is taking away their voice. If they are not organized,they do not have the drop in centre or the transition house. There is nothing worse than to be in difficulty and have no one to speak for you.

Funding has been cut to the CBC as well. If you really want to get your story out across the country, it is the local CBC station that can do it. The local radio station can broadcast the problem for the local community, but they have no capacity to carry it across the country unless they are tied into Canadian Press, and that often is not the case. I think the cuts to the CBC are another way of trying to smother or to push down any dissent or opposition there is to the government cuts in regional areas suffering great difficulty.

By the same token, our resource areas are going to be extremely adversely affected by cuts in the CBC nationally. I think of the situation where we have one national farm broadcaster, George Price, who covers meetings of the agriculture committee, transportation committee and other committees concerned with agriculture across the country. This is an important resource throughout our country. He is retiring in another month or so and is not being replaced. That hurts agriculture and those resource industries across the country because there is no report going out.

We see this kind of unique national mechanism, which is so important to our country in trying to build understanding and knowledge of our country on a broader basis, being hamstrung by these cuts that were brought in the recent budget.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, I welcome this opportunity to speak today to the opposition motion which refers to the government's actions and policies across the country, and of course one of our policies was the last Budget which, as you know, is a major component of this country's economic strategy.

Madam Speaker, in the latest Budget, various types of government spending have been frozen, and this includes spending on transfers to the provinces. In my riding, Madam Speaker, and I am sure you have had the same experience, I have been asked a lot of questions because people don't understand the difference between cutting payments to the provinces and freezing the amounts they receive.

We have a major deficit which was created, although this falls on reluctant ears, by the previous Liberal government. If you tell me the deficit increased since the Conservative party came to power, you are right. But it is also true that since 1984, since we were elected, we have managed to control our expenditures. This year, excluding interest payments, government revenues exceed government expenditures by $9 billion.

• (1620)

In 1984, when we were elected, the government was spending $15 billion more than it collected in revenues, always excluding interest payments.

We have now turned the situation around and are in a position to say that by 1993–94, we will have enough money to pay for all federal spending, including the interest on our debt.

Madam Speaker, we must remember that Canada consists of ten provinces, and when interest rates go down as a result of Ottawa's policies, the provinces benefit. When inflation goes down across the country thanks to Ottawa's policies, the provinces benefit. And even when we have a debt of $350 billion, it is also because the provinces have benefitted.

Madam Speaker, when we realize that since 1984 federal spending has increased 3 per cent annually and that the provinces increased their annual spending by 5 and 6 per cent, it is obvious that we will all have to bear our share of the burden.

Madam Speaker, we transfer $35 billion annually to the provinces—that is for 1989–90—an increase of 6.5 per cent over 1984. The federal government, however, kept the increase in its own spending below 4 per cent.

So it was time, and I think it was the best possible choice for the Minister of Finance, to freeze federal spending, including transfers to the provinces, and I said freeze, not cut, Madam Speaker. If we look at annual interest costs for the federal government, these represent 35 cents on the dollar. The provinces, however, pay 12 cents on the dollar.

Madam Speaker, in this country we have to work together. We need the help of the provinces. We must not forget that there are two main components in provincial transfer payments. One is called established programs financing, under which the same amount of money per capita is given by the federal government to all provinces. All the provinces receive the same amount because it is a set amount per individual. This program was frozen in 1989–90.

There is another federal program which comes under provincial transfers and I am referring to equalization transfers. Equalization is for provinces with the lowest incomes, and these payments have not been reduced. This means that lower-income provinces, including Quebec, our native province, the beautiful province I represent here in the House of Commons, Madam Speaker, will receive more money in 1990–91 than in 1989–90. Established programs financing payments are frozen, but equalization payments have gone up—there is no freeze on this component. As a result, payments to the provinces will increase by $1 billion between 1989–90 and 1990–91.

Madam Speaker, we give the provinces $36 billion without any obligation to account for the way they spend that money. This is an important point. The federal government spends nearly 25 per cent of its budget on the ten provinces and has no idea what the provinces do with that money. Do they use it for hospitals, education or roads? We have no say in this whatsoever. You may recall the Auditor General made some comments in this respect.

Madam Speaker, I think we have a duty to support the latest Budget and so does the opposition, including the cuts in all federal spending, the freeze—no cutbacks but a freeze—on established programs financing payments to the provinces and the increase in equalization payments.

[*English*]

Mrs. Barbara Sparrow (Calgary Southwest): Madam Speaker, the current economic conditions in the north contrast sharply with those of the mid-1980s when the joint federal-territorial economic development program began under the economic development agreement.

In 1984 the economic indicators such as gross domestic product, value of production and employment, still demonstrated the effects of an earlier economic recession. Today these indicators show signs of growth. For example, in 1988 the gross domestic product increased by 10 per cent in the Yukon and 7.4 per cent in the Northwest Territories. We must, however, ensure that the improved situation today is sustained and that present growth which has occurred, thanks in part to policies and economic development programming of this government provided by this government, continues. It has provided such a tremendous input in incentives that we want to see this growth continue.

In particular, the government recognizes that Yukon and the Northwest Territories must continue to strengthen their leading sectors and also continue to diversify into other sectors if they are to achieve greater stability in the future and provide northerners with an adequate number and variety of economic opportunities.

This is not a quick step approach to economic development. We believe in concrete, sensible, co-operative mechanisms which meet the needs of northerners and creates the climate of economic opportunity and growth which was lacking under the previous government.

The government has undertaken a number of successful initiatives to help support economic development in the north and also to provide a stable planning framework. From a policy perspective it has provided greater certainty to northern developers by reaching agreements in principle with northern native groups on outstanding land claims, with territorial governments on the northern energy accord and by introducing a northern mineral policy. Through targeted economic development programming under the federal territorial economic development agreements, it has provided assistance to

northern entrepreneurs in organizations to investigate and pursue new employment and business opportunities.

Federal funding over the past five years has amounted to $43.1 million. This programming has been successful because with minimal support the federal government is able to lever additional territorial government dollars and project proponent dollars.

The tripartite co-operation is essential in the north where the territories are assuming greater responsibility. That is good to see. Most private sector investment is from other regions of Canada or from abroad. These agreements have been successful because spending has been targeted at strategic priorities and projects that now are showing and will continue to yield definite, long term benefits. This is particularly so in the societal infrastructure which has been put in place in numerous communities under the auspices of economic development planning subagreements. I am also thinking of the renewable resources subagreements where various projects have been undertaken to develop commercially viable renewable resource businesses such as a bison ranch in the Northwest Territories and a char farm in the Yukon.

These projects have enabled the territories to market their products effectively in new and existing markets and to upgrade both human resources and infrastructures serving this sector.

Participation by native people in organizations as proponents of economic development agreements in the Northwest Territories have really been significant. In the Yukon, however, uptake has been increasing but we know that we can do more and more can be achieved.

• (1630)

The federal government has introduced the Canadian aboriginal economic development strategy to support native business and employment opportunities and to address the economic development requirements of native people in general. This program will benefit native people throughout the regions of Canada. With a participation of representatives of native organizations on these EDA committees, a greater understanding of programming has been gained, with a great deal of results.

This government believes in involving northerners and involving the native people in the decision-making process. The efforts under the economic development agreements to date have certainly made a positive contribution toward expanded, diversified and more stable territorial economies. However, to realize the full potential, long-term benefits of federal government's contribution to economic development, government support and assistance is needed in the sectors that we have been encouraging. As I mentioned earlier, this support is in co-operation with the territories and with the private sector.

The future challenge for the federal government in co-operating with northern governments is to continue this transformation of the northern economies. This involves further diversification of economic base with increased emphasis on sustainable economic development, structural changes to sectors such as mining to enhance the economic and social returns to communities and also to their residents, and increased linkages among the sectors of the northern economy.

Given the relative strength of the Canadian, the Yukon and Northwest Territories economies and the possibilities that are arising from the Canada-U.S. Free Trade Agreement, it is easy to see that there are opportunities which can be pursued through the improvement and expansion of the mining industry, through growth in the renewable resources and tourism business sectors, through export opportunities and programs leading to skills acquisition and other human resource developments, plus economic planning by communities and governments.

The theme of diversification is not new. It has been the thrust of the federal and territory economic program in both of those territories over the last six years. We all recognize it is the solution to another challenge which is to minimize the reliance upon few sectors for revenue and employment.

Contrary to the hon. member's motion, we are working on expanding the economy of the north. Import substitution is a principal component of diversification. The renewable resource sector is an excellent example of this type of development which will lead to stronger

linkages between the wage economy and traditional economies of the aboriginal people.

Technological innovation is another avenue for generating business opportunities, especially at a time when science and technology is a national and also an international growth area for future development.

Regardless of the approach which is taken to diversify the economy, long-term benefits can only accrue when economic growth has been balanced by the development and the maintenance of a healthy resource base. Keys to this are the acquisition of the requisite skills and training by northerners participating in their expanding economy and the provision of an infrastructure that will be achieved through community based planning which will encourage industry to locate and develop. I expect future economic development programs for the Yukon and also for the Northwest Territories to recognize many of these opportunities.

In addition to further development of the preceding sectors there are other events which I foresee as having significance to the north: the North American air defence modernization project and the renewed interest in northern gas pipelines. We have seen that that is something which is coming and coming quite quickly. Oil and gas projects in the Beaufort should also generate opportunities for new and expanded business and indeed enhance the employment for the northern people. These will be reflected in and complemented by the organization of the land use planning commissions and the settlement based on the agreement in principle of the land claims for Yukon Indians, the Dene Métis, and the Tungavik Federation of Nunavut.

Settlement land claims will be of particular significance to each territorial economy. Obvious benefits will be derived from a direct injection of funds into the economy.

In conclusion, as a member of this side of the House I am confident of the ability of northern Canadians to move forward, see the challenges and accept them. We will be behind them all the way to see them expand and continue expanding.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I should like to compliment the hon. member on her remarks this afternoon. She twigged my attention to something I think we have forgotten on this side of the House when it comes to debt and deficit.

We have been hearing a lot of members on the side opposite today talking about the fact that when they came to governance here in 1984 they inherited this massive debt. The facts are that in 1980 when the Liberal Party came to power we had a national debt of approximately $80-odd million.

From 1980 to 1984 it is factually correct that the debt of the nation doubled. It went to almost $170 billion. This happened during the worst recession in the world. Interest rates at 21 per cent and 22 per cent were world-wide.

The Conservative government came to power in 1984 and by the end of 1988 it managed to take that national debt of $170 billion and double it to almost $360 million. In her speech today the hon. member referred to this incredible growth in the economy.

My question is a very simple one. With that incredible growth in the economy, when interest rates were much better and employment was down, how did your government manage to double that debt? What policies did the government have that did not work, or was there waste?

Mrs. Sparrow: Madam Speaker, I want to thank the hon. member for Broadview—Greenwood for his question. It is interesting that he brought forth two important issues: one is talking about the national debt and the other is talking about the deficit. I would just like to refer to the fact that in 1984 when we were elected to power the national debt was $200 billion or $199.5 billion.

Mr. Mills: It was $170 billion.

Mrs. Sparrow: I am sorry, it was $199 billion. We also had a deficit of $38.3 billion.

The hon. member's government was increasing program spending by 15 per cent per year from 1980 to 1984. When we took over the national debt was $38.3 billion. The previous government was in a negative position of $16 billion on its program spending and in a negative position of $22.5 billion on the deficit. That shows that his government with its $38.3 billion deficit caused most of the problems.

In exactly five years we have lowered the deficit and we now are in a surplus position on program spending. We turned around $25 billion, and we do not need any

lectures from that side of the House which led this country absolutely into debt.

Mr. Raymond Skelly (North Island—Powell River): Madam Speaker, I have just a short comment. The concern respecting regional development that I would like to explore with the member who just spoke is the matter of cutting 100 per cent of the funding for women centres.

Again, I return to the Campbell River and District Women's Resource Centre that offered programs to help women get back into the workforce, women who had been out for many years, through re-entry programs, training programs and retraining programs. This women's resource centre ran counselling and referral services. It was involved in assertiveness training programs, as well as a whole host of other opportunities for women to go back into the workforce, to make basically the entry into a job, to get women out of job ghettos, and to fight for equal pay for work of equal value.

• (1640)

This women's resource centre was a credit to the community which along with other women's resource centres across the country provided an effective, important service to 50 per cent of the population, especially in rural and remote communities like Tahsis, Gold River, Zeballos, and Bella Coola. These are important organizations that should be fostered and developed with core funding to an adequate level and also program funding. The Minister of National Health who is sitting here could be an important agent in that program funding.

How can the hon. member sit in this government and justify the kind of cuts that have happened to the women's resource centre, a national women's organization, and still speak about the record of this government in regional development?

Mrs. Sparrow: We certainly do not target out small areas, whether they be in the north or in the south. I can assure the hon. member that getting women back into the workforce is indeed extremely important.

We will do this with the training centres and by co-operating with the provincial governments. We have not let those people down. This government has and will continue to diversify and support the regions whether it be western Canada, Atlantic Canada, northern Ontario, or north of 60th parallel.

Mr. Raymond Skelly (North Island—Powell River): Madam Speaker, I would like to refer to a point which is held very strongly by the New Democratic Party. I am afraid that the government has recognized the problem that it has created in the regional development issue. I refer to the question of the cut-back to women's organizations and link it to a serious impact on regional development. In the area I represent on northern Vancouver Island and on the coast of British Columbia, most communities are in fact resource based communities and a great many of them are very small, single industry towns.

For example, when a family moves into a single industry town with, for example a pulp mill, the male member of the family goes to work and the woman stays in a trailer with a couple of children and there are no opportunities or very few opportunities for employment. Most of the opportunities for employment that crop up are very low paying, part-time service jobs. We are all aware of the kind of exclusion from the workforce, the exclusion from decent paying jobs and the exclusion from justice and fairness in the economy that women experience.

This House has reacted very strongly for the decade that I have been here and in the previous decade to try and get that situation turned around. It is important that a regional development program contemplate very seriously the needs of women. It is not just contemplation in the drafting of the legislation and the policies, but it is also a strong action program associated with it.

The issue that is so important to us is the recent action of the government. I would juxtapose it to the comments on more than one occasion by the Minister for International Trade whose contemptuous remarks toward women in Canada make Canadians wonder if this government really understands what is wrong with his remarks and what is wrong with making the kind of cuts that they did in women's programs.

For the regional development aspect, I would use the example of the Campbell River and District Women's Resource Centre. There was a desperate need in the community for organized assistance for women. One of the major aspects was an opportunity for women to get involved in the workforce. This organization came together and began to provide a service to women by working with other agencies in the community, such as

Canada Employment Service and the North Island community college system, trying to get workforce re-entry programs for women and attempting to get training programs for women who were looking for employment.

There has been a great deal of initiative in that community for training programs, be they in traditional employment for women or even in non-traditional activities. There are women training as electricians, welders and working in those trades today in very, very small numbers. There is a need for greater access. These women's centres have done an enormous job in breaking down those barriers, but they have just simply started the procedure.

The cut in the case of the Campbell River example was $25,000. That $25,000 was probably the best dollar value this government ever got for anything. That $25,000 a year put together a hard working board of directors, three paid staff members who were essentially doing a tremendous professional job for peanuts. It paid for the rent of an office and all the utilities and the equipment in it. Ultimately the $25,000 represented a 100 per cent cut in government funding and all that is there today is an answering service which states that the federal government put out of business this women's centre and all the services it provided to the community.

We cannot have a regional development program without the human resource development aspect of it. What the government is telling us is that 50 per cent of the people in the community, the women in that community, are not going to be provided with the assistance to get into the job market. They are not going to be provided with the incentive and the opportunity to get into training and retraining programs, that the counselling and referral services that were provided through that agency are not going to be part of it. What the government is saying to Canadians is that 50 per cent of the population do not count in regional development and do not have that access.

In addition to the direct programs related to employment, there is also the question of individual and family support. Women today bear the responsibility for families in many, many cases. Of course the most serious example is the single parent attempting to raise children.

This women's resource centre fought continuously to attempt to get community child care resources enhanced so that a woman who wanted to gain training and go to work knew that her children would have safe, dependable child care at a cost that she could afford. This community resource centre fought for that. The Conservative government promised to put it in place and has now reneged on it. Not only has the government reneged on it, but it is proposing to cap Canada Assistance Plan funding that funds the child care centres. It is absolutely unconscionable activity.

There is no doubt that people equate the government with the remarks on more than one occasion of the Minister for International Trade who shows that he does not understand the issue. By association with him and with the cuts, they believe the government does not understand the issue. It is important that it does some work on this and turns it around.

It is extremely sad that the minister who is now responsible for the status of women happened to think that the remark made by the Minister for International Trade was funny. It is an absolutely ridiculous situation. Again, as my colleagues say, the government has no understanding of the requirements of women, of the respect of individuals, or of the need to provide the opportunity to gain access.

• (1650)

It is ironic that the present minister responsible for the status of women was one of the people instrumental in putting the women's resource centre together. The present minister responsible for the status of women was a key individual in organizing the Campbell River and District Women's Resource Centre. She went through the community with others, got this organized on the basis that it was a serious and desperately needed resource for the community, and can turn around today and support the role of the government in making 100 per cent cuts and putting these organizations out of business. Not only is that not acceptable, but it is an incredible act of hypocrisy.

Although it may drift an inch or two from the topic at hand, that community resource centre along with those in Port Alberni, Courtenay and all over Canada, were not only involved in the economic and employment side

of justice and fair play for women, but they were also involved in critical support to family services such as the child care issue. Without safe, effective child care, a woman cannot leave her children without leaving them in jeopardy. For either two-parent families or single-parent families in which the parent can be either sex, child care is an absolutely critical aspect.

Another important aspect is transition homes where women and children who are exposed to family violence can find a safe place to protect them from the violence in the home and give them an opportunity to begin to reorganize their lives. That women's resource centre in Campbell River was instrumental in getting just such a transition house going. Not only has the resource centre closed but there are questions about the continued viability of the transition house. Hopefully, it will not be dragged down by the negative policy of this government.

The Campbell River and District Women's Resource Centre was an outspoken advocate for better programs, more direct programs to prevent the abuse of children, be it mental, physical or sexual abuse of which there is an enormous amount. It is a hidden problem in Canadian society. That organization was instrumental and very effective in the discussion to try to get at this problem through prevention, through protection, and through treatment of offenders.

It is absolutely critical that that core funding be restored so that not only operations like the transition house can continue but programs they are instrumental in developing or supporting for the prevention of the abuse of children.

There is a need for planned parenthood. This government, with its head buried in the sand along with the provincial Government of British Columbia, has created serious damage to individuals who want rational family planning. What we need are community services such as the women's resource centre which took an active role in providing information and leadership in developing proper programs for planned parenthood. I congratulate them for the job they have done and absolutely urge this government to consider the wrong-headed approach that led to the 100 per cent cut in this organization's funding.

This organization provided legal assistance and in many cases advocacy services for women with a whole range of problems, be they legal problems or debt related problems. One could go on all day about the kinds of important services it provided to the community.

For $25,000 this government obtained an active, hard working board of directors, a system of volunteers, three part-time employees, and a modest, low cost office in the community. It could not be bought in the Public Service. It could not be obtained anywhere. These people were principled, dedicated and working for absolute peanuts. This government put that valuable service to the community out of business.

I for one urge the present Minister responsible for the Status of Women to get on the government's case—from the Prime Minister to the Minister of National Health and through the entire cabinet—to have that funding restored or resign. No one with a clear conscience could stay with a group of individuals who would carry out an activity like that, especially a woman who was instrumental in assessing the needs of that community in Campbell River and finding that that community desperately required the kinds of resources provided by the women's centre. She was instrumental in putting it together. If she cannot turn this cabinet and this government around, she should resign. It is the only position of integrity that she can take.

It is an extremely important issue. It is the first thing on which I wanted to speak in terms of regional development because it is absolutely critical. It is a first priority that half this population be in a position to enjoy and to obtain access to the benefits of the economy and the society in which we live. This government has blocked it in a very wrong-headed approach and hopefully it will change its position and provide adequate core funding to these organizations.

If it wants to involve the provinces, fine. Leave the funding in place until an agreement can be worked out with the provinces, but don't cut off the women in the communities of Canada from the kinds of services that allow them access to the economy, a decent position in the economy, and essentially fair play in this country.

I want to talk about regional development in terms of western initiative programs. In Port Hardy there is a proposal to put a ferro-chromium plant in place by an individual, Mr. P. J. Woody. As my colleague points out, they have thrown him out of Bamberton and they have thrown him our of Nanaimo. Many communities are very concerned about it.

Be that as it may, what is critical is that we do not understand the environmental impact of his project, and yet about a quarter of the total funding of the budget for British Columbia is being put by the federal government into his project. Yet it will not provide in the environmental assessment review panel for intervener funding. Nobody knows what the impact of this project is going to be. There is very serious concern in many, many of the quarters, be it the Kwakiutl Tribal Council, the Fort Rupert Indian Band, the fishing industry or people concerned about water supplies.

It is absolutely important that when the federal government undertakes to fund an industrial initiative those people who have concerns, especially about technical and long-term impacts with the potential to contaminate the environment, have access to intervener funding. I would ask the Minister of National Health who is sitting here in the House today if he would consider assisting with this intervener funding because it is the health of Canadians that we are dealing with here. Would he encourage the provincial government, in partnership with the federal government, to provide funding for those people who need to obtain some technical expertise to evaluate the project and to come up with some indication of what is going to be its impact on the future health of Canadians?

We have put the proposition to the Minister of Indian Affairs who is responsible for the Kwakiutl District Council members, the Fort Rupert group, the Kuatsino Indian Band and the Tsulquate Band in that area. We have also asked that the minister responsible for western initiatives provide intervener funding. At this point, there is no response from fisheries, environment or health.

The provincial government hands it all over to the environmental assessment review panel. It in turn passes it back to the government saying that the Federal Court requires that some assistance be provided. Hopefully, the conscience of the individuals involved in those cabinet positions will make some intervener funding available so that people have a fair chance to evaluate this project.

Some of the initial comments by the owner of the project concerning organized labour and the desire not to have organized labour involved in the project are interesting. The main concern I have as a member who represents the riding in which the project is located is one of fairness. When the federal government is giving a grant, a condition of that grant should be that the employees of that operation have the right to organize and bargain collectively with a fair contract for wages and working conditions. Not only should the opportunity for environmental impact funding be provided through that grant but also in that grant should be included the right of employees to organize and bargain collectively. That is absolutely critical.

• (1700)

I had hoped to discuss some of the difficulties in regional development that we have had created by this government in the fishing industry and in the forest industry. A catastrophic effect caused by the Prime Minister and the Minister for International Trade is the deterioration of the fishing industry in the province of British Columbia. In the Johnstone Straits there is a continued erosion of the fishing industry and an absolute unwillingness of Fisheries and Oceans to permit traditional fisheries to continue in those areas. That has negatively impacted on places like Campbell River, Port Hardy and Alert Bay. Instead of a fishing season that would extend from July through till September we are now looking at 10 and 12 days. People cannot even qualify for unemployment insurance in the fishing time provided, and the communities will undoubtedly wither and die.

The fact that the Minister for International Trade and this government are prepared to allow the export of salmon and herring directly into the United States means that, if we can believe what the B.C. Fisheries Council said when they appeared before the committee, it is their intention to move their production units into the United States. It only makes sense because their employees are not organized, they do not have collective agreements to protect them, their wage level is half, there are no benefits and Canadian processing companies, which are already in position in southeast Alaska and

the State of Washington, will move into their areas and close Canadian processing plants.

Here you have a program of regional development which is trying to create a few jobs, and yet is destroying an entire industry. It is an absolutely astounding role to play. Regional development operations are not ensuring that people can organize and bargain collectively for wages. Low wage units mean that the foreign companies that the Conservatives have invited in usually take higher profits out of those areas and remove them right out of Canada. At least with a decent wage level, protected by a collective agreement, more money stays in that community and the greater benefit from the resources we have is spread among the residents of that community.

But what has happened with the fishing industry on the coast of British Columbia is absolutely catastrophic. It makes a mockery of any regional development proposal when the government is prepared to destroy industries like the forest industry and fishing industry.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, first of all I want to congratulate the member for North Island—Powell River for that section of his remarks that dealt with family life. Too often we in this House forget the importance of talking about family issues. His remarks today were some of the finest I have heard.

I come from a riding where 25 per cent of the children come from single parent families and it is tough right now. It is especially tough with a government that is retreating from its responsibilities. But I have always had pretty good luck with this Minister of National Health and Welfare and I want to ask the hon. member a very specific question.

Does he not think that there is a possibility that this particular women's resource centre, which he claims has been turned down for only $25,000, may have been turned down because of a bureaucratic foul-up rather than the political will retreating again?

Mr. Skelly (North Island—Powell River): Unfortunately, we have lost that resource centre as well as the one in Alberni and the one in Courtenay. I guess it was just the selection within the department as to where those budget cuts were applied. My colleague says Penticton is gone. The dilemma was the funding cuts. To my way of thinking, when they began to cut the national organization's budget they made the ability to lobby the government ineffective. The next step was to take out the women's resource centres. The two activities, of course, are delivering services but they are so constrained in the delivery of those services by the present legislative framework that they had to begin an intensive lobbying process to try to increase funding for the services and their core funding, and to try to get the legislative framework within which women are confined changed.

I really think that behind the cost saving motivation of the government was this fear of the political action that women were taking. That political action was to try to create greater space in which they could work. That greater space is respect for the individual and equality. Unfortunately, that is why this must be turned around.

I too have great respect for the Minister of Health and his predecessor. It is my hope that they, in their concern for the health of Canadians, can see the development of programs. The member mentioned that 25 per cent of the children in the area that he represents are the children of single parent families. There is also, of course, the problem of drug and alcohol. Enormous difficulties are created for individuals and families by that. There is a very limited amount of treatment available or prevention activities. There is greater stress on police enforcement, on one side, but we do not have the corresponding support for people in the drug and alcohol programs and the treatment centres. Hopefully that minister can be of greater assistance in making sure that we have that resource that women's centres have been crying for as well.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I would like to thank the hon. member for tying into this debate the very important issue of the cuts to women's programs. I was quite fascinated when he pointed out that although this government claims to be in support of women and children when it comes to family violence and protection of the family, it has cut and put women on notice not only in Transition House and the Women's Centre in Campbell River in the member's riding, but in 28 women's centres out of 33 in British Columbia. I found that astonishing. The cutting of the federal government funding means the doors have closed and those women have been fired.

I would like to thank the member for raising another issue which I found shocking. How can he reconcile that the government minister responsible for the status of women, I believe he said, had a role in building and opening the Campbell River Women's Centre and creating it as a community activist, with the fact that she is now failing to fight for it? I find it fascinating that that is happening.

I would really appreciate it if the hon. member would comment on that and possibly also, in terms of regional development, the failure of this minister to fight for the *Polar 8* which is also in her riding.

Mr. Skelly (North Island—Powell River): Madam Speaker, I agree that the minister responsible for the status of women is in a terrible position. First of all she, with other women in the community of Campbell River, realized the shortfall in services to women and the desperate need for a resource centre there. She got out with those women and campaigned in order to get the funding and the program rolling.

I happened to see her presentation on CBC after the news on Sunday night in which she was justifying the activities of the federal government. I have to say it is a terrible act of hypocrisy to know of those needs, to be moved to the point where she became involved in trying to resolve those needs with other women in the community, and then to turn around and to say that what the federal Conservative government had done was acceptable. That could only be construed as an act of hypocrisy.

I would let her conscience deal with the matter of finding the remarks of the Minister for International Trade funny. I mean that is such a tragic comment from a person so highly placed in the government that the appropriate action is a resignation, or a demand for the resignation.

I think that both of those ministers have some very serious soul-searching to do and certainly owe the public of this country an apology. In addition to the apology we need a change in behaviour. We need solid support for those women's resource centres. A partial funding, core funding, of those organizations is not acceptable. Putting them on a decent footing so that they can provide the needed services to the community is absolutely essential.

• (1710)

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I would like to add my own words of congratulations to my colleague from North Island—Powell River, particularly for his reference to the closing of the women's centres in the context of the debate on regional development.

I know some members of the House may have a hard time understanding how the two jive together, but I can assure the House that, as my colleague knows, in areas like mine in the West Kootenays and his in North Island, women often do not have access to the kind of social service institutions at the sophisticated level that they do have in major urban areas. Those centres do play a very vital role in the economic and social development of women and their organizations in hinterland areas.

People from my own constituency often find themselves here in Ottawa on behalf of the women in trades movement. I often see them in the galleries because they have been acting as advisers to the government on policies dealing with those issues. They, along with their sisters in the Nelson women's centre, in our case, are now being cut off totally at a time when we are seeing major construction programs beginning in our area and they finally have a chance to take advantage of some of those employment and economic opportunities. It is absolutely criminal and stupid. It is counterproductive for the government to be making major cuts to those kinds of development organizations just at this time.

The only other short comment I would like to make, and if my colleague has time to comment he may wish to, is on the major cuts that we now see emerging to the Forest Resource Development Agreements. The former Liberal government continued to make cuts to forestry over years and years. Finally, in its death throes, in the last one or two years, it saw the light and brought in a program that in 1983-84 saw some $55 million from the federal government matched with the government of B.C.

When the Conservative government was elected in 1984 it thought it was doing great things when it spent $30 million a year over five years. But we forgave it that annual cut because at least it did it on a sustained basis and it made some sense. Now it is going back to the worst

days of the Liberals and it is only going to be $6 million a year, if we ever get it renewed at all.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now ended. Resuming debate, the hon. member for Selkirk.

Mr. David Bjornson (Selkirk): Mr. Speaker, I take a bit of pride in being able to speak here this afternoon on the motion. Before I get too far into the motion I would like to say that I truly understand the importance of regional economic development. As a businessman who started out in the late 1970s and the early 1980s, I personally felt the effects of what the previous Liberal government was doing with its centralized economic policies. It caused significant problems for us in western Canada.

We talked about interest rates on supply products. As a businessmen trying to finance various projects at extremely high finance rates, I found at times that I was on working and working and working and at the end of the year the finance costs basically took over all the efforts and any profit margin that my small or medium sized business was able to attain.

One of the other problems that I had at that time was supply material. Because of the centralized policy that the government had at that time there was a reasonably booming economy down in southern Ontario. When you come from a small region such as I did in Manitoba, the suppliers and manufacturers, although they did not really take a dim view of what we were doing in my region or the other regions of western Canada, they took a look at market shares. They decided that it was unimportant to make sure that the small business or the small wholesaler in regions outside central Canada had goods in place so that they could carry on their projects. That is one of the major reasons why the past government was defeated. Those of us in areas outside central Canada took a complete dislike to what was going on. It is important to give that background before I get into what I have to say because I think the record of our government since 1984 speaks for itself.

In the last little while we have taken on economic renewal, not only in western Canada but all throughout Canada. We have put a lot of thrust into small business. We have taken a look at small business and we know how important it is to each individual small community. Small business is one of the greatest creators of employment. We have done our job to reduce the deficit. We have reduced the size and role of government in all aspects, not necessarily just business. We have gone through regulatory reforms and we have gone into privatization. We have privatized a number of things.

One thing to remember is that we have delivered on all the things we said we would do, not only in 1984, but also when we resumed after the past election.

We can talk about how we have turned the deficit around. When we came into power in 1984 there was a program spending deficit of approximately $16 billion. For this present year, we are going to have a $9 billion surplus in program spending. The net result is that we have turned that program spending around by $25 billion. That is quite significant. That is an awful lot of money.

We have reduced the public service. We have taken the attitude that government does not have to be everywhere. We listened to the people of the country and decided it was important to reduce the size of the federal civil service, and we have done that by approximately 12,000 people. Right now we are back down to the 1973 level. It is quite surprising that we can do all this work with fewer people. What we have, for lack of a better word, is a lean, mean machine here.

Mr. Mills: Check your contracts.

Mr. Bjornson: Well that could be, but we get the job done and we have reduced program spending. Even if it is out there in contracts, we are spending less money doing it. That is a good thing to remember.

Mr. Nault: At double the price.

Mr. Bjornson: If I could get a job at double the price I would probably be out there right now, but I do not think that can happen.

We have sold 16 Crown corporations. We have done it. We have turned it around. We got rid of Air Canada. Air Canada is out there operating on its own, and who is the biggest shareholder in Air Canada right now? It is its own employees. We have turned this around and the government is doing quite well.

Let us talk about what has happened in agriculture. The farming community in western Canada needed help and we provided it. Last year in western Canada, on an

average, we put $30,000 into each farm. We have an attitude that is positive.

What about the National Energy Program? What did that do for western Canada? What did that do for regional development? Down the tubes, pal. That is exactly what happened. There was absolutely no support for western Canada when the National Energy Program was in place. That hurt us and hurt us bad. I do not see anybody from Alberta or western Canada, Saskatchewan included, considering the transfer of money that went from western Canada into central Canada as a result of the National Energy Program.

We have also taken a look at financial institutions. We were concerned about them. There were times when there were problems and the government responded. There were some problems in the banking industry in western Canada and the government put in approximately $1 billion to save the pensions and the savings accounts of many people in western Canada.

We have taken a look at the transportation industry. We have deregulated the transportation industry and it is now wide open. I know what the effects of that are on the small communities of western Canada. Now the farmer is not paying top dollar to get his fertilizer delivered. He is paying an economical rate so he can put it on the field.

• (1720)

A personal friend of mine has been very involved with the regulation. He has expanded his company. He is booming. He is making a living because the government's has an attitude that small business should look after itself.

We can talk about free trade and what free trade has done for regional development. Once again, I come from a small area in western Canada and I like speaking about western Canada because I think it is a fine place. The three biggest employers in my area are exporters. The fact that we have free trade makes their products more competitive in the international market, in particular in the American market.

I know that the people who work in these industries in my communities are more than impressed with the effects of free trade. The workers are not being laid off any more. They are not working for three or four months and off for a month and back for three or four months. They are out there full time and they are working hard. They are making money and at the end of the day they have money in their pockets. They can take their children on holidays in the summer time. They are doing well. I think that is all because the government has decided to do something about regional economic development.

Let us talk about unemployment in 1984 and 1989. Let us start off with British Columbia. I think it is important that these numbers get on the record. In British Columbia in 1984 unemployment was at 14.9 per cent. In 1988 it was 8.3 per cent. In Alberta it was 11.7 per cent in 1984 and it was down to 7 per cent in 1988. Saskatchewan had 8.8 per cent unemployment in 1984 and it was down to 7.2 per cent in 1988. Manitoba's unemployment rate dropped from 9 per cent to 7.2 per cent. I think it is important that you take note of those figures.

We can talk about job creation in western Canada from 1984 up until September, 1989. We have created 404,000 jobs. Eighty per cent of those are permanent jobs. Over 60 per cent of those jobs are held by women. We do have an attitude of trying to do something in rural Manitoba, rural Saskatchewan, rural Alberta and rural B.C. We want those people working. British Columbia had 246,000 new jobs. Obviously we must be doing something on this side of the House to be creating jobs.

All the approaches of past governments obviously led us some place that we did not want to be. What did FRED do for us? What did ARDA do for us? GDAs, REDAs, ERDAs, IRDPs, where did they all go? They were a bunch of fixed programs that had no flexibility to react to short term needs. They were tied in. You had to spend that money no matter how. Away it goes. We just spend that money because that is the way of it. There was absolutely no flexibility; spend, spend, spend. That is exactly what these programs did.

How many of these programs did nothing but support civil servants in the provincial government for working and not actually accomplishing anything? We did not give the private sector the opportunity to work. We did not give the private sector the opportunity to take that money and go out and do something.

At least we had enough sense in this government to bring on western diversification, the opportunity for businesses in western Canada, with something new and innovative, to get out in the marketplace and put people

to work in western Canada. I think we have got the minister to do that.

We have got a minister who really is important. He works hard and he is very influential at the cabinet table. We have got a minister with a mandate for change and for addressing the regional development challenge in western Canada. And we want to eliminate the disparity between western Canada and elsewhere. We want to make everybody the same. In the budget we looked at what has happened to the ACOA program. We are finally getting a level playing field, which is the terminology everybody is using.

We can talk about the fact that we have put $1.2 billion into western diversification. Instead of wasting the money that was in all these other programs we are bringing it in so that the private sector has the opportunity to go out and create jobs.

Through the leadership of the minister we put together a program. We have 313 person-years in all of the western diversification programs. If any members from western Canada have an opportunity to do any business with WD they will find that they get those programs turned around right away. They are not buried. They are not lost on somebody's desk or in somebody's file. We have a turnaround time to put that stuff back out on the table and if it is a good project that really works, it is done. No more bureaucrats sitting around playing games. We have a job to do and we are going to do it.

Where are the offices of the deputy minister? They are in western Canada. No longer are the offices looking after development in western Canada situated in Ottawa or Toronto. They are in western Canada, exactly where it should be. There are regional offices throughout western Canada. In each of the major centres we have an office which handles the Western Diversification Fund, and they do it quite well.

We also go into risk sharing. We take a look at the projects that are coming up. I will use one in my own riding as an example because it is one of the best examples I can find. We have a company coming in which is going to spend well over $100 million looking into what we can do in research and development.

The first phase is the risk sharing. We understand the company is spending a lot of money and we are risk sharing. If the project is successful, we get the money back. If the project is expanded, we have decided that western diversification should become a participant in phase two of this project. If it is successful we will have well over 400 jobs in the community within the expansion program itself.

Think of the spin-off coming out of that. If we have 400 jobs at the plant, what happens outside with all the service industries, the grocery stores, the school teachers, everything that is involved. This is mainly due to western diversification.

We do take risks and I think it is important to take risks. We have to understand that the private sector involved in making decisions, and some very risky decisions, and we are prepared to do that as well. Rest assured that when those decisions are made, they are good decisions. They are not far out decisions. I would think that, in most cases, being Conservative, we make rather conservative decisions in situations like this.

From what I understand, less than 2 per cent of the funds that have been put forth by WD so far are in risk. That is a pretty good rate. I do not think any of the other development programs which will be putting money out and looking to getting it back could say the same. Western diversification is a very tight ship.

I think the whole concept has to do with the attitude of western Canada. Western Canadians do not look for hand-outs. They look for help when it is needed and when they do get help they put their best foot forward. Far too often in the the late seventies and early eighties everybody had their hand out. We do not like that in western Canada. We have had enough of that attitude in western Canada. Development in western Canada is going to be done with the help of government funding, but not with only government funding.

That is the attitude that we should have throughout Canada. No longer should a businessman come to the government and say, "I've got a great idea for a project, but I need your money". Western diversification is prepared to help, we are not prepared to give. That is important because those projects in which everyone is involved work a heck of a lot better than the ones where there is just grant money. I think we should keep this up.

There is a lot of procurement in western Canada through the direction of WD and a lot on the initiatives of three prairie provinces. We know that government spends a lot of money. But now, through WD, if there is an initiative in place we want procurement to be equal throughout western Canada. We want things to work

together. With the direction of WD I think we are going to be far more successful in that.

We can talk about ERDAs and the fact that the Prime Minister made a significant announcement in Brandon, Manitoba, three or four weeks ago, basically tipping our hat to the fact that we do have what we will call a new style of ERDA programming. There is $242 million which will be shared equally between the four western provinces. The whole direction of those funds will be negotiated through the Western Diversification Office and in particular with Minister Mayer. He has taken a very personal concern about how things will be handled and seems to have quite a rapport with not only his cabinet colleagues from western Canada but also with his provincial counterparts. It is working very well. I know, coming from Manitoba, with the flags that have been showing for us that there is a concern through western diversification, which I call the new ERDA, in rural redevelopment of Manitoba.

• (1730)

We are working to maintain the rural Manitoba communities so that they are viable and so that we do not have people leaving the communities. We want to maintain industry there. We want to give industry the ability to expand in southern Manitoba. We do not want to lose those businesses. Western diversification is taking that attitude to the rural communities of Manitoba with the help of the Manitoba government.

We are also looking at other issues in Manitoba. I know I speak best about Manitoba where we are looking at the communication industry. We are looking at the cultural industry. We are looking at the mining sector. We are looking at the forestry sector. These are all concerns that we have in Manitoba, and they will be addressed by this WD funding and on the joint efforts with the provincial government. I am looking forward to being very, very successful in what we will be doing.

In conclusion, the attitude of this government toward regional development, whether it be in western Canada, eastern Canada, with the FEDNOR agreement, or in southern Ontario, I think it is equally favourable throughout Canada. I think the attitude that we have is not one of just grants. It is one of equal participation. It is one that stimulates the business communities to have an input to get things going, to make things work so that they know at the end of the day that it was not a gift. It is something that they earned themselves. I am pleased to have had the opportunity to speak on this important issue, particularly to those in Manitoba and western Canada.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I was interested in listening to the member's comments. Although he may be here on Parliament Hill in the same office building, after I listened to his speech I think we must live in different worlds in western Canada. The western Canada I live in does not feel that it has been treated well by this government in terms of regional development. The facts are there to prove it, certainly in the province of Saskatchewan.

Twenty-three thousand people have left that province in the last year. Three hundred out of 500 communities lost population. There is a feeling of despair and hopelessness in that province that in all my years of living there and even in the memory of people who were there in the thirties that has never been seen. In all that time nobody has been as depressed about their prospects in that province as they are now.

We look at what the Conservative philosophy has done to that province, now that we have Conservatives both federally and provincially for this period of time. We have seen a debt load that went from the NDP period in Saskatchewan of zero public debt chalked up by the government, with balanced budgets for 11 years in a row to $4 billion plus that the people of that province now have to carry in debt. We see that in spite of what the Conservatives proclaimed when they were in opposition before 1984. They were always saying that high interest rates were a detriment to western Canada, that what interest rates did was suck money out of the prairie region, out of western Canada, out of the resource producing regions and send it to Toronto from where it is tougher and tougher to get it back. That still persists.

The member brags about deregulation. He knows full well, I am sure, that in many of the communities where there used to be an orderly transportation system, none exists now. Trucking has become worse and worse. Only the major points get covered. The smaller communities are left out. The airline service is now all done by regional carriers with smaller aircraft, which makes it a lot less attractive for people to do business there. We see farm income falling steadily. Certainly, there have been other factors. *Ad hoc* programs from year to year have

not convinced any farmers that farming is the thing to stay in.

• (1735)

The member alludes to WDO being involved in procurement and the great things it has done for procurement. If he would look at the record, he would see that for all the smoke and mirrors and song and dance, procurement percentages for western Canada have declined during the period of Conservative governments since 1984.

My colleague from the Okanagan tells me that in B.C., which has 11.5 per cent of the population, procurement has gone down from 4 per cent to 3 per cent during the period of Conservative government.

The member says that the Minister for WDO is doing a tremendous job in terms of the ERDAs. I would like to ask him where are those ERDAs? Those ERDAs have not been around for a whole year now.

Forestry is suffering. Mining is suffering. Tourism is suffering. Northern development is suffering. I would like to ask this member how in the face of that can he say that this Conservative government is sympathetic and supportive of regional development when the facts say that that region is going down the tubes. The kind of structures that we need by way of infrastructure, economic structures, interest rate policies and public fiscal policies are all heading us even further down the tubes. How does the member respond to that?

Mr. Bjornson: Madam Speaker, first, the hon. member expressed some concern about the fact that there seemed to be some loss of population in the province of Saskatchewan. I am glad the hon. member moved out there so that the number was not quite as high as it should be. I do not know how long "all these years" are, but I imagine there is a certain amount of experience up there in northern Saskatchewan.

I think possibly the member just maybe missed the fact that I talked about $242 million which was brought forward by the government which is to be handled by Western Diversification which is to be shared equally by the four western provinces. I do know, as I said in my comments earlier, I am more than impressed with the attitude of both the provincial governments and the federal government, how they are working together to solve this problem.

He makes some comments about the concern of deregulation in the transport industry. In the areas that I represent, which is rural Manitoba, somewhat like the area the hon. member represents in rural Saskatchewan, there does not seem to be a problem. In that particular industry there seems to be trucking companies popping up all over the place. Maybe you do have a problem in that area. I cannot speak to that, but I can speak for Manitoba. That is not a problem in my area.

Mr. Gauthier: Madam Speaker, I would like to put a proposition to the House. This has been a very interesting day. I am sure that the interventions have been very constructive. The Liberals would like to have one more speaker on this day. It has been our day. We only had three members today up to now speaking on this debate.

I have the member for Nunatsiaq who has his speech and who would like to speak for northern Canada. I think that the House would benefit hearing from him.

I wonder if there would be a disposition, Madam Speaker, to give the member for Nunatsiaq a chance to make his speech and then adjourn the House. I can give you my undertaking we will not be doing anything to prolong the hour past his regular 20–minute allocation.

The Acting Speaker (Mrs. Champagne): The Speaker is quite prepared to hear the hon. member, if there is unanimous consent from all three parties.

Mr. Whittaker: Madam Speaker, certainly I think it is important that the member be heard. Given that, I believe that we in this party would be more than happy to agree with the proposition put forward, on the understanding, of course, that the co–operation from this corner be noted when it comes time for some of our motions.

[*Translation*]

Mr. Danis: Madam Speaker, speaking on behalf of the government, we agree with the suggestion made by the hon. member for Ottawa—Vanier.

The Acting Speaker (Mrs. Champagne): If I understand correctly, the hon. member will have 20 minutes, after which we shall adjourn.

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): The hon. member for Nunatsiaq.

• (1740)

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, it is always an honour when the House saves the best for last.

I would like to comment on the remarks of my colleague from Calgary Southwest who was speaking on some northern issues when she had the floor. I would just like to bring back to reality some of the comments she has made.

I am pleased to be here today to speak to the motion of my hon. colleague, the hon. member for Kenora—Rainy River. I would like to congratulate him for putting forward this very important topic of regional development for debate.

The motion refers to the government's failure to protect, support and promote the regional economies of Canada, Atlantic, western, northern Ontario and northern Canada. This motion is appropriate and timely for all these regions, but I will focus specifically on northern Canada.

The northern economy is a developing economy. It is an economy in transition. In the Northwest Territories our economy is moving from a land-based to a wage-based market economy. Our economy is heavily dependent on natural resources, and we export these raw resources.

Ours is also an economy which imports many goods and services, and labour. The economy of the Northwest Territories mirrors in one important aspect the Canadian economy in general. While the economy has been growing, not all regions have benefited from the growth. In fact, there are serious and continuing disparities between regions within the Northwest Territories.

Local efforts to reduce these disparities are constrained by our dependence on federal funding and by our high cost of living. At the present time the Government of the Northwest Territories receives about 85 per cent of its revenues through direct transfer payments from the federal government.

The Northwest Territories has a small and volatile tax base and cannot strain that base much more than it is doing now. The federal government knows this. It knows the northern economy is a developing economy and that our cost of living is the highest in the country. It knows that some of our regions have the highest unemployment rates in Canada.

Figures released in the budget of the N.W.T. Minister of Finance last month established an employment rate of 16 per cent in the first quarter of 1989, northwest territorial wide. But the three regions in my constituency in the eastern Arctic have unemployment rates above 20 per cent. The Keewatin and Baffin have an unemployment rate of 21 per cent. The Kitikmeot region in my constituency has an unemployment rate of 31 per cent.

This is a tragic situation. The government should be dealing with the situation as a national tragedy, but what is the government doing about it? The government's proposed changes to the unemployment insurance system will make it harder for northern residents to receive unemployment insurance. When they do get it, they will get it for a shorter period of time.

In addition, federal transfer payments to the northwest territorial government have been cut by this government. These transfer payments go to the N.W.T. government through a formula funding arrangement.

Prior to losing office in 1984, the previous Liberal government negotiated a generous formula funding agreement with both the Yukon and the Northwest Territories governments for a five-year period. That five-year period has expired. Negotiations with the current federal government on a new five-year funding arrangement did not prove successful for the northern governments. The federal government unilaterally imposed a new funding arrangement which is detrimental to northern economies.

In his budget speech to the Legislative Assembly of the N.W.T., the N.W.T. Minister of Finance did not mince words about how bad this new arrangement is for the N.W.T. economy. He said the N.W.T. had been dealt a bad hand by the federal government with the imposition of the new formula financing arrangements. The immediate financial impact of the new arrangement is a reduction in this fiscal year of about $25 million from what the government would have received under the old formula. The reduction in the federal grant represents a

reduction of $475 per person in the Northwest Territories.

• (1745)

Over the next five years, the reductions will amount to about $110 million. Not only are these cuts damaging to the government's fiscal position and to the N.W.T.'s ability to respond to the pressing needs of its residents, but the new formula contains serious flaws which will limit the N.W.T.'s ability to develop the northern economy.

The new arrangements take effect April 1, 1990, and will be in place for five years with a review after three years. The changes to the formula financing mean that the N.W.T.'s revenues will grow by less than inflation in the 1990–91 fiscal year. This is the first time that this situation has had to be dealt with by the territorial government.

The territorial government, because of reduction in federal transfer payments, has had to reduce expenditures and increase taxes. The new formula funding arrangement forces the territorial government to increase taxes. However, as a result of the federal changes, the N.W.T.'s funding will be tied to an indicator based on a provincial and territorial tax effort in the year 1987–1988. The result is a reduction in the grant to the N.W.T. because the federal government considers the tax effort of the N.W.T. government to be lower than the provincial average for that year.

In addition, the federal grants in subsequent years will be reduced according to how the N.W.T. has lagged behind the growth in provincial tax effort since the base year 1987–88. These changes by the federal government to the financing arrangements with the government of the Northwest Territories have fundamental consequences for expenditure and taxation policies of the N.W.T. government over the next five years. The government of the Northwest Territories will have to impose the same taxes as the provinces at rates comparable to the provincial average in order to recover the cost imposed by the federal government.

We will also have to keep up with increases in provincial tax efforts to protect the total funding from further erosion. This provision of the formula ignores the fact that northern residents already face a higher tax burden than most other Canadians when the high cost of living in the north is taken into account.

According to the N.W.T. Minister of Finance: "In fact, the formula as a whole, we believe, acts as a disincentive to economic development". Some small comfort was provided by the phase–in of the financial impact over three years, and the fact that the reduction is not as large as was originally proposed by the federal government.

However, the government of the Northwest Territories remains fundamentally opposed to the application of the tax effort adjustment to the formula. Its use produces a formula which is flawed and its imposition by Canada could have severe financial consequences for our government over the next five years.

The federal budget released on February 20 had more bad news for the northern economies. Recent budget cutbacks are going to negatively affect the northern economies. Under the terms of the new federal formula financing arrangements with the northern governments, the two northern territories will have to increase their taxes if the provinces increase their tax rates. They will have to raise their own taxes or face a reduction in their annual operating grants.

By cutting transfer payments to the provinces for health and education, the federal government is forcing the provinces to increase their taxes. If the provinces increase their taxes, the territorial government will have to increase theirs as well.

I have already mentioned the cutbacks the federal government has imposed on the funding it transfers to the two territorial governments. The Northwest Territories has been cut back by $110 million. Yukon's transfer payments have been reduced by $9 million this fiscal year, by $12 million next year, and by $20 million the year after next.

According to the N.W.T. government, the cutbacks jeopardize the territorial government's ability to stimulate the economy. The Northwest Territories Minister of Finance has called the federal action a disincentive to economic growth.

• (1750)

The recent budget also eliminated the Canadian Exploration Incentives Program which will affect mining exploration. While not as helpful as the flow-through shares program which was cut two years ago by the current government, it is still a loss.

Cutting back on the subsidy to Canada Post for the food mail program to remote northern communities is having negative economic and social effects on the residences of these communities. Many of my constituents are paying $5 for one litre of milk so that the government can pocket more of Canada Post's profits. In the budget, the Minister of Finance said he wants Canada Post and other profitable Crown corporations to turn over more of their profits to the government. This is supposed to contribute to the deficit reduction. This government is taking food out my constituents' mouths so that it can put more money in its pocket.

The budget of the Department of Indian Affairs and Northern Development has been cut by $100 million over the next years. Economic development is among the affected areas. Aboriginal communications groups and organizations have had their funding slashed, and in some cases eliminated.

Jobs are being lost. How does the loss of northern jobs, aboriginal jobs contribute to northern development? Between 100 and 180 jobs will be lost as a result of these cuts to the aboriginal communications programs throughout the country. In the north the cuts to the Inuvialuit Communications Society means two people will have to be laid off at the end of this month. Four other positions that were up for hire will not be filled.

The Native Communications Society of the western N.W.T. has been cut by so many jobs, adding insult to injury, as of last week. As of last week, they still had not received their funds for February and March. Furthermore, April's money will not arrive until May.

In addition to the cuts they have suffered, they will have deficit finance incurring additional and unnecessary bank costs.

The Inuit Broadcasting Corporation will lose more jobs as well.

The proposed goods and services tax is a source of serious concern for the N.W.T. Northerners have argued against the tax in its proposed form because it is inequitable and will reduce the N.W.T.'s relative competitiveness with southern Canada. The tax will result in N.W.T. residents paying more sales taxes than other Canadians for the same goods and services. The current sales tax which will be replaced by the GST is applied at the manufacturers' level. Because the GST is applied at the retail level, the large component of transportation costs and higher northern margins that are not currently taxed will be fully taxed under the goods and services tax proposal.

Also, higher incomes in the north will result in residents with the same real purchasing power as southern Canada benefiting less from the enhanced federal sales tax credit. In addition, with the exception of some industries, the proposed goods and services tax has the potential to seriously reduce the N.W.T.'s competitiveness compared with southern Canada. The tax will make the N.W.T. an even higher cost region in which to do business and, therefore, a less attractive place in which to invest. This will, according to the N.W.T. Minister of Finance, retard the N.W.T.'s economic development.

The goods and services tax, whether at 7 per cent or 9 per cent, is simply not acceptable to the residents of the Northwest Territories. Rather than assisting the N.W.T. government to effectively deal with its economic problems of regional disparities, high unemployment and lack of infrastructure, the federal government is blocking further progress.

At present, the federal government retains control over N.W.T. land and its resources. The Government of the Northwest Territories' ability to plan and manage the economy is limited as long as control over land and resources remains with the federal government.

However, the scale and face of development is largely controlled through the Minister of Indian Affairs and Northern Development, with priorities designed to benefit all of Canada.

Devolution of responsibilities is a slow process. Transfer of control goes hand in hand with aboriginal claim settlements. Aboriginal people want to be partners in northern development.

A new economic development agreement is being negotiated between the N.W.T. and the federal government. I urge the federal government to recognize the unique development needs of the north. Transportation is an essential element in the development of the N.W.T. economy.

• (1755)

The government of the N.W.T. is actively pursuing the transfer of federal government responsibilities for transportation, and work has begun on a special joint study to develop an N.W.T. transportation strategy. Any transfers must be accompanied by the necessary resources. The federal government must continue to play a major role in the northern economy, particularly in developing the necessary public infrastructure to stimulate and sustain

the economic growth. Job opportunities and an economic future for the use of the territories must be a priority for both the federal and territorial governments.

The population of the Northwest Territories is very young and these young people will soon be moving into the labour force. There is a need to focus efforts on education, training, income opportunities, infrastructure and job creation.

As a final comment, I urge the federal government not to view economic development in N.W.T. only in terms of the export of natural gas from the MacKenzie Delta. In 1989, 64 per cent of the people with jobs in the N.W.T. were not born in the N.W.T. Dependence on imported labour is greatest in the mining, oil and gas sectors, sectors where northerners have very little control or influence at this point in time. It is critical to the balanced development of the N.W.T. that an acceptable northern accord for the revenue sharing of oil and gas royalties be concluded in the near future. Diversification of the N.W.T. economy must be encouraged.

We cannot afford to place our economic future in the hands of non-renewable resources development alone.

The Acting Speaker (Mrs. Champagne): It is now my duty to put forthwith every question necessary to dispose of the business of supply pursuant to Standing Order 81(14).

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

[*Translation*]

Pursuant to order adopted earlier today, the recorded division stands deferred until 7 p.m. on Monday, March 19, 1990.

It being 5.58 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 5.58 p.m.

HOUSE OF COMMONS

Friday, March 16, 1990

The House met at 10 a.m.

Prayers

[*English*]

1990–91 MAIN ESTIMATES

SPEAKER'S RULING

Mr. Speaker: Before commencing debate, I would like to give a ruling which I undertook to do some days ago.

During the course of the sitting, Thursday, February 22, 1990, three different members raised questions relating to the Estimates and the traditional lock-up preceding their presentation by the President of the Treasury Board.

The first question was raised as a point of order by the hon. member for Glengarry—Prescott—Russell who noted that while 87 Parts I and II of the Estimates were being tabled, only 73 Part III reports were available and complained about the 14 missing Part III reports.

Later in the day, the hon. member for New Westminster—Burnaby rose on a question of privilege to object to a lack of information respecting certain specific programs during the lock-up allowing members an advanced look at the Estimates prior to their tabling.

The third complaint came from the hon. member for Mackenzie who challenged the accuracy or credibility of data printed in the Part III report for Agriculture Canada.

[*Translation*]

I have had an opportunity to consider all three cases and am now prepared to rule on them.

With respect to the first matter, the Hon. member for Glengarry—Prescott—Russell argued that the government breached a rule of the House in not tabling all of the Part III reports at the time Parts I and II of the Estimates were presented. The Hon. Member recalled that in 1982 the House had concurred in the Twelfth Report of the Standing Committee on Public Accounts which supported major reforms to the preparation of the Estimates. The Hon. Member further argued that in not presenting all of the Part III reports, the Government had failed to respect the expressed wish of the House with regard to Estimates.

[*English*]

The hon. member for Thunder Bay—Atikokan intervened to support the complaint made by the member for Glengarry—Prescott—Russell. On behalf of the government, the parliamentary secretary to the Government House Leader explained two points. He maintained that the government had complied with the rules of the House, in that Part II of the Estimates, known as the Main Estimates, are all that are explicitly required to be tabled according to the Standing Orders, and that the Main Estimates were presented in advance of the March 1 deadline.

Moreover, the parliamentary secretary indicated that the government fully intended to provide the 14 missing Part III reports on or before March 12. This statement elicited an objection from the hon. member for Windsor—Lake St. Clair, who pointed out that the Standing Orders set March 1 as the date by which the Estimates are to be referred to the standing committee.

I want all members to know that I have considered this issue very carefully. I have reviewed the Twelfth Report of the Standing Committee on Public Accounts and statements made by the President of the Treasury Board when the present format of the Estimates was introduced over a span of years, beginning, I believe, in 1981.

[*Translation*]

I can understand the sense of frustration expressed by the Hon. Member for Glengarry—Prescott—Russell, but I must point out that technically, the Parliamentary Secretary to the Government House Leader is correct in claiming that the rules, that is the Standing Orders, require simply that the Main Estimates be referred to standing committees by March 1. In the present format of the Estimates, Part II constitutes the Main Estimates, the document that directly relates to the votes that will

lead to an Appropriation Act to be adopted by the House usually no later than the end of June.

[*English*]

That said, however, I must also state that when the House concurred in the Twelfth Report of the Public Accounts Committee in 1982, the House endorsed the committee's support for the new style of presenting the Estimates devised by the government in response to a recommendation put forward by the Auditor General and the Public Accounts Committee.

• (1010)

This new format makes up the complete estimates and all three parts are necessary for the standing committees to do their work effectively. Part I provides an overview of the government's spending plan while Part III gives details for the expenditure proposals and expectations of each department.

Part III, therefore, is necessary to the standing committees if they are to adequately understand the votes they must consider that are presented in Part II, the Main Estimates. In this particular case the frustration is all the greater because the 14 missing reports, I understand, constitute approximately 75 per cent of the government's proposed spending for the fiscal year 1990–91. Were these documents to remain unavailable, the work of the standing committees would be seriously handicapped.

However, the parliamentary secretary indicated at the time that the government fully intended to present those documents on or before March 12. Indeed, they were tabled on March 5. There remains, I believe, a sufficient opportunity for the standing committees to do their work in the time they have available up to the end of May.

The second objection raised concerning the Estimates was brought up by the hon. member for New Westminster—Burnaby who complained about the inadequate information she had received from Treasury Board officials during the lock-up prior to the presentation of the Estimates in the House Thursday, February 22.

The member explained that she had asked specific questions about the impact of the budget on women's programs, multiculturalism, native affairs and programs assisting visible minorities. Despite the fact that officials told her that the information she sought would not be available for a week or so, the hon. member learned from some women's groups of the effects of the budget on their organizations shortly after returning to her office after the lock-up. This, she contended, proved that the information was available but that it had been withheld from members of Parliament. In consequence, the hon. member raised this issue because she felt it constituted a breach of privilege.

[*Translation*]

After having examined the question both in terms of privilege and in terms of comtempt of the House, I cannot conclude that the question raised by the hon. member meets the very narrow criteria of privilege, which concerns certain very specific rights deemed necessary for hon. members to carry out their duties and assume their responsibilities.

[*English*]

The lock-up is provided by the government in order to give members information on the Estimates in advance of their presentation in the House. The fact that the government has undertaken to provide the lock-up suggests, on the face of it anyway, that the government understands the needs of members to have this kind of information. At the same time, however, the lock-up is not a procedure of the House and there is no guarantee the government will furnish absolutely all the information that might be requested.

Moreover, there was nothing in the hon. member's presentations to suggest that Treasury Board officials sought wilfully to deprive her of the information. Such a situation, while it may indeed be a grievance, does not, in this context at least, constitute a question of privilege or contempt.

Finally, the hon. member for Mackenzie raised a point of order concerning certain data presented in the Part III report prepared for the Department of Agriculture. Specifically, the hon. member complained of the way the appropriation or possible appropriation is given for the Farm Credit Corporation listed as a non-budgetary item.

At the time I suggested to the hon. member that I did not think the Chair could address this question as a point of order. I have subsequently had an opportunity to review this matter and have noted that the Third Report of the Standing Committee on Public Accounts presented last October offered certain criticisms of the way the Department of Agriculture has presented some information in the Part III reports in previous years. As I originally suggested February 22, one avenue open to the hon. member to obtain redress of his complaint is to raise it in the Standing Committee on Agriculture or in the Public Accounts Committee. It is not an issue which the Chair has the authority to resolve.

I thank all hon. members who raised these important issues related to the Estimates process and all those who contributed to the discussion and assisted the Chair in the consideration of the matter. I certainly feel that while certain members may indeed have a grievance in this area, it is not a question of privilege.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL RESEARCH COUNCIL

Mr. John Manley (Ottawa South) moved:

That this House condemn the Government for its failure to support the National Research Council as Canada's premier research institution and its failure to promote basic scientific research in Canada.

He said: Mr. Speaker, I welcome this opportunity to speak in the House this morning on the subject of the National Research Council of Canada. I would like to start by putting our subject in a context that directly concerns the government: that of the federal deficit.

[*English*]

I participated in a debate last evening in Kitchener on the subject of the goods and services tax. On attempting to return to Ottawa late last night, or early this morning, we could not land because of the fog. It struck me that the good people of Kitchener, before I left there, were convinced, having listened to a discussion on the goods and services tax, that Ottawa was definitely enshrouded in fog.

What we heard from the supporters of the GST last night was very much an explanation—

Some hon. members: Supporters?

Mr. Manley: Well, there were supporters there. There was the hon. member for Cambridge, who acquitted himself very well, I might add.

The explanation for the infliction of the pain of the goods and services tax on Canada was primarily that it was a solution to our deficit. It struck me that this was ironic in the context of a week in which we have become increasingly aware of Canada's failure and the government's failure to make a real commitment to the needs of science and technology in this country.

You see, Mr. Speaker, there are three ways to address the national deficit. There are expenditure cuts, and we have heard lots about those. There are tax increases, and that is what the goods and services tax is really all about. The third way is that if we can increase Canada's productivity as a nation, if we can grow, if our economy can expand, if our people can be made more productive, then we have the opportunity to do the kinds of things we want to do as a generous nation, we can maintain the programs that we have and reduce our deficit.

It is not just a matter of cutting expenditures or raising taxes. If we lose sight of the importance of building our economic strength as a nation, then we are doomed to failure at deficit reduction; we are doomed to a generation of tax increases.

We have had some fairly significant new information come forward this week in the area of science and technology. We have learned that the Minister for Science does not believe in the matching grants program for the university granting councils. We know, from evidence given to the Industry, Science and Technology Committee yesterday by the president of the National Sciences and Engineering Research Council, that the failure to replace the matching funding, which is scheduled to end in the upcoming fiscal year, will be devastating—and that word is his—devastating to the granting council.

On top of that, there was a memorandum made public on Monday from the president of the National Research Council which contains some startling comments by that individual. Among other things it says that NRC intends to limit its involvement in basic research to that required to maintain a minimal scientific insurance policy for the nation. Not only that, he says the next five-year plan for NRC will propose a clear policy statement and strategy on privatization and divestiture. He says that there are

planned reductions in permanent employees at NRC which will produce an organization with a significantly different balance of permanent and term employees.

Is it any wonder the people of Canada think that Ottawa is in a fog? At a time when they are being called upon to sacrifice by expenditure cuts, when they are being called upon to pay more in taxes, the very core of what we need to do to improve our productivity as a nation is on the chopping block as well.

• (1020)

We need to look at the importance of scientific research as part of this effort to make Canada globally competitive. That is what we heard last night in Kitchener as well. We need the GST to make us globally competitive is what we were told.

What we need is a firm, continuing and definite commitment to science and technology, to science–based innovation to make us globally competitive. That does not mean just getting the industrial sector to do more. That does not mean that we advance our cause a bit by having government spokesmen, including the Prime Minister, going around saying: "Well, the problem with research and development in Canada is that the industrial sector does not do its share."

Just this week the science and technology committee was told: "What do you expect in Canada?" We have a very large resource– based industry and everywhere else in the world it is governments that do research and development in the resource sector. It is our weakness in the other manufacturing sectors that exposes our inability to compete unless we can learn how to do science–based innovation and move forward on that basis.

One of the most startling presentations that our committee received was that by Dr. Fraser Mustard who came before our committee some months ago and talked to us about the importance of innovation. He said, for example, that innovation is the key to economic growth and sustaining and enhancing our prosperity. He pointed out to us that innovation is increasingly science based. He said that innovation in the context of economic growth has two components, institutional innovation and the innovation that leads to the creation and production of goods and services that are sold in world markets.

What we are witnessing today, Dr. Mustard told us, is a rapid change in the relative position of nations in the global economy as a result of institutional innovation, the creation of new technologies, new production techniques and effective capture of market share. Regions that are able to innovate in terms of developing new institutions and producing tradeable goods and services will remain strong trading regions. Regions that are not able to innovate will be fading regions.

In the context of what has happened this week, I ask myself, where is this government attempting to lead us with its policy of cutbacks and spending cuts on science and, at the same time, tax increases? Where is the government attempting to lead us?

Let us look at the National Research Council itself. This is a venerable Canadian institution. It has really been the jewel in the Crown of Canada's commitment to science over many years. It has been an inspiration to our youth. It has been an opportunity for our graduates in science and engineering to find employment. In many areas it has led the world in scientific achievement. Even as recently as December, 1987, NRC's Atlantic Research Laboratory found what might be called a needle in the haystack, according to NRC, when researchers identified domoic acid as the toxin responsible for the mussel poisonings in Prince Edward Island.

We have had so many examples of achievement by NRC and its scientists.

In 1988, NRC scientists found a new method to render high levels of PCBs safe for disposal. The discovery was made possible through the NRC's Division of Chemistry which was doing basic research on reactive intermediates.

This aspect of NRC performing basic research is very important because what we have in Canada is a very thinly spread scientific community. We have the building blocks of NRC, our universities and the private, industrial sector. In the main, our industrial sector has research facilities which are too small and inadequate for

the task of performing basic research on a very broad scale.

The Fields Institute for Research in Mathematics pointed out this week to the Standing Committee on Industry, Science and Technology, Regional and Northern Development: "The longer-term goals of pure research will not be funded at all if not by government".

Pure, basic and fundamental research is difficult to perform in the industrial sector. The costs are large. The results are always questionable. That is why it is basic research. One never knows for sure that one will find something that is usable or that can be exploited for commercial purposes.

In the context in Canada in which much of our industrial sector must look to the bottom line of profit results in the short-term cycle, be it quarterly if not annually, and in the context in which the cost of capital is enormous for the performance of basic research, or any research at all, we need the help of government and well-funded universities to ensure that fundamental research is being done. It is not enough for us to say that we can get the best research results from other countries and incorporate them in Canada. If we do not have the highly trained and skilled people here in Canada capable of knowing what it is we need, we will not be able to go around the world to shop for the results of other people's research. We need those people.

In Canada, we need a commitment to the development and retention of people. That commitment involves, necessarily, government. It involves the federal government making its commitment in various ways, but including the maintenance of a world-class scientific facility such as the National Research Council. Without that, Canada fails to have the focus of excellence that will be required if we are going to compete in this new global economy that is based so much on science and technological innovation.

Those of us who are concerned about this issue on all sides of the House, I am sure, can only share the feelings of anxiety, concern and despair of the scientists at the National Research Council who have now experienced over the last five and a half years a series of cuts and cutbacks that leaves them dispirited and anxious.

I want to remind you, Mr. Speaker, of some of the cuts which have occurred at the National Research Council. In November, 1984, $60 million was cut from the NRC budget. As a result of that, major divisions or projects were closed or cancelled, including the energy division, the Environment Secretariat, the Manufacturing Technology Institute, the Institute for Electrochemistry and the Cold Regions Research Institute.

On October 1, 1986, we had a Speech from the Throne with a four-point science policy. Within that very month an additional $29 million was cut from the NRC budget, which cuts included the photochemistry and kinetics section, the very section where the Nobel Prize-winner, John Polanyi, commenced his work; the electromagnetic and mechanical engineering program; the environmental toxicology program; and aeronautics, construction, and physics programs. Two hundred jobs were to be eliminated as a result of those cuts.

• (1030)

Earlier this year we learned that the high energy physics research performed by NRC would be gone by 1995, possibly farmed out to Queen's and Carleton universities. The prairie research station will be cut. The avalanche research group in British Columbia, the only one in North America of its kind, is going to be cut.

Is it any wonder that scientists at the National Research Council are dispirited, anxious and wondering if they have any future at all in that institution? This was the crown jewel of Canada's research establishment.

This is the council which, in 1916, when Canada was a fledgling country, engaged in a world war, which demonstrated Canada's commitment to science by establishing a world class observatory in Victoria, British Columbia, at the farthest extreme of the young Dominion and at great expense. However, it showed two things. It showed that Canada was committed to performing world class science. It also showed that Canada was willing to spend the money necessary to do so, not where it was politically expedient but where the interests of science dictated. If you have ever visited that facility, Mr. Speaker, you marvel at the fact that that giant lens was hauled up the

hill in Victoria, I gather by animal power, at a time when Canada was so young, so new and engaged in a world war.

Where is that commitment now? Why is it that this government is not saying to Canada's young people: "We are committed to making Canada a leader in science based innovation"? Why is it that I drive in from the airport with a taxi driver who has a Ph.D. in engineering who says that he has not been able to find a job in engineering for three years, which is why he is driving a taxi.

I received a call from a young woman science student in my constituency, a student funded under the Canada Scholarships Program. This program is supposed to especially encourage women to pursue careers in science. She tells me that because of some technicality in the McGill program, after being told that her scholarship had been renewed, it has been eliminated by a government that does not really care. This is after she has already embarked on her studies. Why do these things happen?

Why is it that the president of NSERC has to tell a House of Commons committee that if he does not find out soon whether or not his budget is going to be maintained stable next year, he does not know how much time is going to be wasted by university scientists who are preparing applications for grants?

Why is it that we are not going forward to the people of Canada, as President Kennedy did in the United States in 1961 with the space program, saying to them: "By the year 2000 Canada will be the world leader in environmental technologies"? Why are we not opening our doors to scientists from all over the world, telling them that if they want to make a contribution in environmental technologies, Canada is the place to do it, that Canada will fund and welcome them? Why not? I do not understand it?

Why is it that we are so preoccupied with today's deficit that we cannot see that by investing in science and technology, especially in those people oriented to preserving and enhancing the environment, that we will ensure that tomorrow we will have the solution to the deficit, that tomorrow we will sell our products to the world, a world that is anxious to receive them.

I say to you, Mr. Speaker, that this House should express its discontent with the government because of its lack of commitment to the National Research Council and its lack of commitment to basic research in Canada because these are the crucial issues of today.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, first I want to compliment my colleague for a passionate and very substantive address on this issue. Before I address my question to him, I want to say that I have been noticing in the last few days that this government has been retreating from its responsibilities. Have you noticed, Mr. Speaker, that if the word "national" or the word "Canada" is in the name of an institution that it denotes an immediate decentralization process, whether it is Air Canada or Petro-Canada? The philosophy is: "Let's sell it off". The government will even change the names of the museums. It is an incredible thing.

Mr. Beatty: There is still Health and Welfare Canada.

Mr. Mills: They have not got to you yet, minister.

Here we are with the National Research Council and the process of decentralization has begun. This government is a *maître d'* to the provinces. It is really becoming quite serious.

My specific question to my colleague is this. The Canadian Space Agency which had its foundations in the national capital region was moved to Montreal some few months ago. This is where labs, families and institutions had begun the process of galvanizing. Does my colleague think that the move of the Canadian Space Agency to Montreal was in the national interest?

Mr. Manley: We debated the bill to create the Canadian Space Agency in this House last spring. At that time I talked about Canada's commitment to the space program and the value that Canada's contribution in space technology has made to the world. In fact, Canada is one of the few countries which actually exports more in space technology than the government spends on it. That is a pretty good recommendation for the fact that early on in the space program we committed ourselves to being part of that program. Other countries, such as Japan and the United Kingdom have been trying to catch up to us. We moved ahead. We were early and we have achieved a lot on it. That commitment needs to continue.

What the government did with the establishment of the Canadian Space Agency was to turn it from being a symbol of national pride in our achievement in space technologies into a political football. We had rival municipalities arguing whether they or another place should be the new headquarters of the Canadian Space Agency. You will notice it is called the "Canadian" Space Agency, not the "National" Space Agency. That rivalry, those arguments, detracted so badly from the establishment of what should have been a source of

national pride that it became a source of national disunity.

I say this cautiously. As a representative of the national capital region, I do not want to be seen to be engaging in the same kind of parochial politics that gave rise to the problem in the first place. In 1916, when Canada spent all that money to put an observatory on the top of a mountain in Victoria, British Columbia, when hardly anybody lived out there, it did it for one reason. That was the place in Canada where the science of observation was best served. It was not because there were great electoral results to be earned by doing it.

When Canada makes a commitment to do something like the space agency, the issue should be this. Where can the interests of science be best served? I think that the decision-making process on items like the Canadian Space Agency's location should not be done at the political level, but done much as we administer the National Centres of Excellence program or the granting councils, let us have the scientists concerned do it on the basis of what is in the best interests of science.

• (1040)

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, since the hon. member wondered where this government is taking us, I would like to inform him that our government's goal is to put this country on the road to prosperity. We want Canada to be a first-class country by the year 2000.

Mr. Speaker, I would like to recall, for the hon. member's benefit, some policies that have been fundamental to the government's purpose, and not necessarily in terms of dollars and cents. We must not forget, Mr. Speaker, that we took these steps in order to have a country that is able to adjust more readily. I may therefore remind the hon. member that we established a science and technology policy for Canada, under which each province was asked to do its share to help workers and students adjust and make them better trained so that they can meet industry needs. We had the conference on innovation in Toronto, where Canadian industries were asked to upgrade the quality of their products. They were asked to increase productivity and enhance the value of their products. They were also asked to incorporate advanced technologies in their processes.

Mr. Speaker, I would also like to mention, for the hon. member's benefit, a series of measures that were taken to make our country more flexible. We set up InnovAction and Strategic Technologies. We identified the areas in which Canada could excel, such as artificial intelligence, biomaterials and telecommunications. For the universities, we set up a program called Matching Grants, because we found that although the research being done in the universities was excellent, often researchers were cut off from what was going on in the rest of the country. Through the Matching Grants Program, industry will do a lot more research and it will need more and more of the type of research being done by these very competent people. And in the end, Mr. Speaker, we will get students that are far better trained to respond to the needs of industry.

We also developed the well-known Network of Centres of Excellence Program which promotes basic research across the country. This is a tremendous program, Mr. Speaker, because it allows universities, participating industries and our various research councils—especially the National Research Council of Canada which is a participant in 10 proposals—to do research and make their findings known across the country, thus enabling other researchers to use the information to best advantage.

To increase substantially the number of researchers in this country by the year 2000 and to enable our country to meet this objective, we set up the Canada Scholarships Program, which is intended to encourage more young people to continue their education and go on to university, where we hope they will want to continue their studies and go on to become better researchers.

Mr. Speaker, I have the following question for the hon. member: regarding the National Research Council and preparations for the five-year plan, I wonder why he cannot understand that the council executive might want

to identify new avenues instead of simply maintaining existing ones.

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member for Ottawa South. I will allow him a couple of minutes to answer the question.

[*Translation*]

Mr. John Manley (Ottawa South): Thank you, Mr. Speaker. There is a great deal I could say in response to these comments. However, I will probably have an opportunity to do so later on. I would like to start by answering the last part of the question, about the National Research Council. I will answer in English, since that is easier for me.

[*English*]

I would like to try out an analogy on the parliamentary secretary. I think what we have in the NRC is something like an orchard.

What the government needs at the NRC is a good horticulturalist. Perhaps some cultivation is necessary. Maybe we need to do a little bit of pruning and spraying. Maybe the odd tree is unproductive and should be cut down, but maybe there are new varieties of fruit required and we should do a little bit of grafting to get some new varieties of fruit.

What the the government has done is it has decided to make a cut. Instead of sending in the horticulturalist it sent in the local wood cutter. He chopped down a bunch of trees. He chopped down the ones closest to the road because they were easiest to haul away. Worse than that, there was no attempt to choose the trees that were unproductive, he just cut down trees. It was a chain-saw massacre at the orchard.

In this analogy, just to stretch it a little more, these trees know what is going on. The good and productive ones are scared out of their minds. They can uproot themselves, leave the orchard and go to another orchard. A lot of them are doing that. The ones that are not that productive are the ones staying there. They are scared and more unproductive than ever.

I suggest to the parliamentary secretary that she consult a horticulturalist in dealing with the National Research Council.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I can now respond more specifically to the hon. member's comments on the National Research Council.

Perhaps I may repeat, for the hon. member's benefit, that traditionally, the National Research Council has been Canada's foremost research institute, and it continues to be the cornerstone of the government's science and technology strategy.

During the past five years, we have relied on the NRC's well established resources to enhance its impact in a number of ways, as I will explain in a moment.

Its role will become even more important in the future. By insinuating that the NRC's role has recently been diminished, opposition members show they are ignorant of the real situation and the dynamic nature of the National Research Council of Canada.

The NRC has a broad mandate to initiate, support and promote scientific and industrial research projects. It has carried out this mandate in many fields since it was created 75 years ago, and it continues to do so with great vigour.

Today, as when the NRC was first established, its work is characterized by the ability to evolve with Canada's changing needs. Today, thanks to the government's support, the NRC has an annual budget of over $400 million and about 3,000 employees in programs and facilities across the country.

It is one of the most flexible and powerful instruments the Government of Canada has to support science and technology in Canada.

One could also say that the government supports the NRC in various ways so that it can act as the cornerstone of Canadian science and technology.

We must not forget that the NRC spends about $215 million annually on supporting our national scientific and technological infrastructure.

The NRC's programs and facilities make it possible for engineers and scientists in industry, government and universities across Canada to carry out R and D in many important sectors.

This contribution to the Canadian science and technology infrastructure includes maintaining large federal facilities for science and engineering, such as basins for testing ship's models and all the very sophisticated

instruments researchers need to work on a broad range of projects ranging from routine tests to advanced research.

• (1050)

The NRC also provides scientific and technological services, including on-line data base and document delivery and lending services through its Canada Institute for Scientific and Technical Information.

Thanks to this structure, the NRC has the ability to answer every year some 400,000 requests for information.

The support which the NRC provides to the national scientific and technological infrastructure also includes IRAP, the Industrial Research Assistance Program. This is a highly regarded government program which provides every year financial and technological assistance to thousands of Canadian businesses.

The NRC also carries out and supports research in a number of areas which can be classified as public or national interest-oriented.

This activity, which involves yearly expenditures of over $100 million, includes the operation and administration of the federal observatories, the national scientific library, the national measuring standards, as well as the development of the national building and fire codes.

The NRC's scientific and technical skills and facilities also contribute to national priorities within the framework of formal and co-operation agreements with the various federal departments and organizations which must assume a leadership role in some specific areas.

These organizations include the Department of National Defence which works in close co-operation with NRC's air space scientists, Transport Canada which co-operates with the NRC on a number of transport security related issues, as well as Environment Canada which the NRC is helping to identify government priorities in the area of environmental protection.

The NRC also carries out long-term research activities as a sort of insurance policy to help Canada face such crises as the tainted mussels in 1987.

These oriented long-term generic skills will make it possible for Canada to take advantage of new developments and opportunities, the same way the research and development laboratories of a major corporation meet the needs of its production departments.

The NRC also does economic research in co-operation with industrial partners. These joint efforts may involve major companies which work with the NRC to carry out strategic research and development projects and to develop and market new products. Or again they may involve groups of companies, each of which may eventually benefit directly from these joint endeavours.

The NRC sponsors major technological programs in such fields as industrial materials, biotechnology and information technologies from which many companies and industrial sectors benefit.

The NRC's major research programs are a source of general reference for leading industrial sectors. For instance, the Institute for Research in Construction is the main pool of expertise for Canada's building industry whose activities run into billions of dollars every year. Through the National Aeronautical Establishment, the Institute for Marine Dynamics and other engineering divisions, the NRC provides similar support for many sectors of the transport and transport equipment industries.

In all these roles the NRC makes a major contribution to train the highly skilled human resources needed by our nation. The NRC gives industry, governments and educational institutions access to major facilities, equipment and direct financial support to help them train the scientists and engineers they need.

The NRC also trains personnel on training assignments within its own programs and provides other means for trainees to learn at the NRC before going on to a career elsewhere. More than 20 per cent of the professional staff of the NRC holds such trainee positions, particularly under the research assistant program for scientists and engineers with graduate degrees. The NRC also offers an important student summer employment program and actively seeks to involve research trainees funded by its clients and associate agencies.

In view of all these well-established activities, programs and roles, it is hard to see how the opposition can claim that the NRC no longer plays an essential role in science and technology.

Since taking power, the present government has helped the NRC strengthen all its activities in various ways, especially as regards the essential support the NRC provides for the Canadian economy.

For several years, the NRC has pursued its traditional activities meeting the great scientific and technological challenge by creating new programs and new initiatives.

When this government was elected five and a half years ago, Canada was just getting out of a serious economic recession. Canada was running an ever-increasing trade deficit in technology. There was an obvious need to rely more on technology in both traditional and emerging industries.

With that in mind, the NRC redefined its key role as "encouraging and helping Canadian industrial enterprises to adopt technological solutions" by means of a long-term plan supported by the government and published in 1985. Under this plan, the NRC undertook to place its facilities and capabilities at the service of Canadian industry, to develop its activities and to increase its ability to meet the country's needs, taking account of the necessity for budget austerity because of the large public debt which the previous government left us.

Among the achievements of the past five years, we should include steps taken by the NRC's research division to regroup their sections within the larger laboratories dedicated to a broad range of research; upgrading certain programs by creating important new research facilities such as the Biotechnology Research Institute in Montreal, the Institute for Marine Dynamics in St. John's, Newfoundland, and through participation in the James Clerk Maxwell Telescope in Hawaii; the creation of advisory boards and committees headed by industry to guide the NRC's activities and research programs; the implementation of projects on the basis of joint initiatives, memoranda of agreement and various other measures taken to reinforce interaction between the NRC and its clients industries, government, the scientific community and foreign governments.

Industry's demand for the services of the Canada Institute for Scientific and Technical Information has increased considerably, Mr. Speaker.

The Industrial Research Assistance Program has broadened its range of services for Canadian businesses in order to give better access to foreign technology and provide specialized services to the Canadian building industry.

We also wish to point to a major development consisting of the creation of several major multidisciplinary initiatives, making good use of the established resources of the NRC's laboratory divisions. This approach promotes of co-operation between the NRC and its partners by making the latter more aware of the full range of facilities and resources available at the NRC.

Considering the need for attracting collaborators and covering areas that are of strategic importance to Canada, the NRC promotes programs involving technologies that respond to the needs of various industrial users and sectors.

As I mentioned earlier, these very promising areas include activities related to biotechnology, materials, standards and precision measurement, industrial systems and manufacturing technologies of interest to major industrial sectors such as the construction and transportation industry.

During the past five years, the NRC made an effort to increase its participation in joint research agreements, provided NRC partners would invest as much—

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member shall have six minutes remaining in her speech, plus 10 minutes for questions and comments.

[*Translation*]

It being eleven o'clock, pursuant to Standing Order 35, the House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HUMAN RIGHTS

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, during the break, I had the honour to participate as a member of a Canadian delegation in a portion of this year's session of the United Nations Commission on Human Rights.

The work of the United Nations in the field of human rights has been unduly neglected. Too many Canadians are not yet aware of the importance of the universal struggle for human rights or the important role played by Canada internationally in this quest.

At this year's session, there have been resolutions on a number of countries where the human rights situations are preoccupying. Canada has co-sponsored many of these texts, and has been active in ensuring that the commission treats each situation in a balanced, considered manner. The Canadian delegation has been one of the strongest teams in Geneva and due tribute should be paid to the Department of External Affairs and the minister. At another meeting, Canada was also complimented on its leadership with regard to refugee programs.

I want to emphasize today the importance of the breakthrough made this year at the commission, which has important ramifications for future work in the international human rights field. This breakthrough is the strengthening of bonds between countries of the western group, of which Canada is a member, and countries of the eastern group. Bulgaria, Czechoslovakia, Poland and Hungary have played important roles this year at the commission, in some cases voting alongside western delegations on many resolutions.

I view this as a promising sign. Human rights issues should not be considered ideological or political matters. As the barriers hindering co-operation between west and east come down, I hope that greater co-operation can be effected among all countries, in order to ensure that the high standards—

The Acting Speaker (Mr. Paproski): Order, please.

S. O. 31

"WE'RE AKIN TO IRELAND"

Mr. George Proud (Hillsborough): Mr. Speaker, for 200 years, Irish immigrants and their descendants have played a vital role in shaping the culture, economy and character of Prince Edward Island.

In recognition of this great contribution, the Government of Prince Edward Island has proclaimed that in 1990 islanders will honour our Irish heritage by celebrating the theme "We're akin to Ireland".

The year-long celebration will affirm P.E.I. as the most Irish of Canadian provinces. "We're Akin to Ireland" will be marked by festivities and heritage events, with the central theme being that of music. Plans include concerts with P.E.I. talented Celtic musicians, theatrical performances, an Irish film festival and much more.

I congratulate the various Irish associations, the P.E.I. Museum and Heritage Foundation, and the public and private sector individuals who are working to make "We're Akin to Ireland" a great success.

I invite all of you, and all Canadians, to visit this beautiful island this summer, enjoy some wonderful Irish music and culture and do your share to keep P.E.I. green—spend money!

* * *

[*Translation*]

ROYAL PARDON

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I would like to bring to the attention of this House the tragic case of a woman in my riding. Since 1979, Mrs. Annette Proulx, who will soon turn 75, is serving a life sentence in the Maison Gomin of Quebec City for a murder she presumably committed in 1979. Although admitting to the crime and expressing sincere regret would help her obtain royal clemency, 11 years later, Mrs. Proulx still claims she is innocent.

Considering she has spent many years in prison and that Justice Yvan Migneault, who presided at her trial, as well as the Crown attorney assigned to her case and the Correctional Service of Canada feel that Mrs. Proulx is not a threat to society, I urge the Solicitor General and

the 12 Members of Parliament studying Mrs. Proulx's request to grant her the royal clemency.

It seems to me that, after 11 years of incarceration, Mrs. Proulx deserves to live in peace and serenity her final years and I hope, Mr. Speaker, that she will be given that chance. It is really a humanitarian case.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, as you know, this week has been declared a national week of protest against the goods and services tax, better described as the grief and suffering tax. Liberals from coast to coast in this big country have given all Canadians the opportunity to voice their opposition to the GST. They have done it in overwhelming numbers by simply picking up the phone and phoning 1-900-720-6052 or 1-900-720-6051. All week this number 1-900-720-6052 has been overloaded by phone calls from thousands and thousands of Canadians from one coast to another saying to this Tory government that this is a rotten tax.

In fact, these phone lines have been so popular two things have happened. One is we added a second line on Wednesday to accommodate the rush—

The Acting Speaker (Mr. Paproski): The hon. member for Sault-Ste. Marie.

* * *

VIA RAIL

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, after having decimated the rail transportation system in this country, the government continues its mishandling of the issue. The government's complaint was that taxpayers could no longer spend hundreds of millions of their tax dollars subsidizing the system. Now there are 300 excess cars of rolling stock in various states of disrepair, but some that could be put into immediate use by Canadian interests to the benefit of Canadian taxpayers. Rather than offering any assistance, VIA Rail has contracted out the disposition of this stock to Canadian and American interests. In other words, the government is asking Canadians to pay again for what is already theirs.

In my community, the single most important tourist attraction is the Algoma Central Tour Train which requires $30 million to $40 million for refurbishing of cars. This would be a golden opportunity for the government to offer one community a tremendous economic lift. I am sure there are others in like need.

I ask the minister to intervene, establish Canadian priorities and distribute this rolling stock to Canadian interests at nominal cost.

* * *

MEECH LAKE ACCORD

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, when people are asked if they have read the Meech Lake Accord, almost 90 per cent of the population have never read it. It is sad to say that many who think negatively about the important unifying accord have not read it.

I hope everyone will have the opportunity to read the article written in *The Globe and Mail* by Gordon Robertson, former Clerk of the Privy Council, entitled: "Dispelling the Myths that surround Meech". He wrote: "Many confident critics appear not to have read the legal documents. They have uncritically accepted the myths and produced a chorus of unverified assertions about the potential disasters the accord will bring".

Mr. Robertson, who was involved in every constitutional conference from 1968 to 1978 shoots down every myth presented. He ends his dissertation with this statement: "The challenge for Canadians is to refuse to be panicked by the myth-makers. There is no injury of any consequence in the accord. There is rather the prospect of great benefits: the end of constitutional deadlock, the lessening of tensions and the chance to return Canada to effective co-operation in the pursuit of real goals of concern to all Canadians—and to the generous acceptance of diversity upon which our national unity depends".

* * *

VETERANS AFFAIRS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, this is a call to all veterans. Canada, once again, needs you. You have already given much to your country. You have fought for our freedom. You have seen comrades die. Many of you still bear the scars of battle, wounds and disabilities which you will carry to your grave.

How does this government show its gratitude? How does this Tory government repay you for your sacrifices? They raise your lodging charges for long-term hospital care to save $17.3 million. They withdraw services to you under the Veterans Independence Program to save another $18 million. You too will have to pay the dreaded goods and services tax, if this government is not stopped now.

Yes, veterans, we are in another battle, a battle to save Canadians from the GST. We need your help one more time. This is how you may join the fight, the Liberal anti-GST fight on behalf of all Canadians. Your weapon is the telephone. Pick it up and call 1-900-720-6051 or 1-900-720-6052. Tell your friends to call and mobilize your—

The Acting Speaker (Mr. Paproski): The hon. member for Montmorency—Orleans.

* * *

[*Translation*]

NATIONAL RESEARCH COUNCIL

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, I want to congratulate the government for its excellent science and technology policies and its efforts to promote co-operation between the government, the industry and Canadian universities.

The National Research Council's new focused-ion beam facility is a case in point. This laboratory is the only one of its kind in Canada and one of five in North America.

For the NRC, this facility is the key to research on electronic and optoelectronic devices of the year 2000. These devices will be about 100 nanometers, or 100 billionths of a meter, thick, which is 10 times smaller than current equipment.

This new technology is so precise that researchers were able to illustrate its amazing possibilities by drawing on the point of a pin—not the head but the point—no less than 1,711 tiny angels.

This facility is jointly managed by seven agencies: the NRC, Northern Telecom Electronics, Bell Northern Research, the Department of Communications Research Centre, Carleton University and Queen's University.

• (1110)

[*English*]

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I am sure you would agree with me that what I want to do this morning is rather rare: I want to commend four members of the Conservative party who sit opposite us for the courage of their convictions and for being so outspoken on behalf of their constituents.

The first award of excellence comes from what is headlined in the *Edmonton Journal*:

> Wilson must go, Kindy says
> Dump GST too, Tory says

I commend that member of Parliament for the courage of his convictions.

The second award, according to the *Toronto Star*, goes to David Kilgour who will vote against the GST. Congratulations to the other member from the Conservative party in Alberta.

The third award, according to the *Toronto Star*, goes to Willie Littlechild who stated that he will vote according to the wishes of his constituents. Congratulations to that Member of Parliament.

The fourth award goes to another Albertan. According to the *Toronto Star*, Louise Feltham stated that she will abstain or stay away from the Commons when we vote on the bill.

Let us congratulate those four Conservative members of Parliament for the courage of their convictions, and encourage the other Conservatives who are now revolting against this tax quietly in the back-benches to speak up and vote against that tax here in the House of Commons.

* * *

GOODS AND SERVICES TAX

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, the opposition to this government's ill-conceived goods and services tax grows by leaps and bounds even as we speak.

The telephone hotline set up by the Liberal party has garnered such a large response that a second line has been added, and the project extended until Sunday, March 18, at 11 p.m. central time. Tens of thousands of Canadians have made their opposition to this tax known,

and I am sure that thousands more will do the same over the next few days.

I wonder if the member opposite will put his phone number so people can call him and see what he will do. They do not have to pay 50 cents when they call you. However, I am going to give them the number.

I call on all concerned Canadians to call 1-900-720-6051 or 1-900-720-6052. Let this uncaring government know that the people of Canada will not let this tax pass without a fight.

If any of you have any guts, put your phone numbers up and see how the constituents are going to call you.

* * *

NATIONAL RESEARCH COUNCIL

Mr. David Bjornson (Selkirk): Mr. Speaker, Canadian companies can count on the National Research Council for many kinds of help. One is relatively new, but it is working well. It involves a group of companies willing to work together with NRC to conduct what is termed "pre-competitive research".

The NRC has signed an agreement with a consortium of loudspeaker designers and manufacturers to do the pre-competitive research necessary to develop the next generation of smart loudspeakers.

It is very rewarding to see Canadian companies, many of them competitors, working together with NRC at a pre-competitive level. Increasingly, this collaborative approach is necessary to remain competitive in world markets. This would not be possible without the help of the NRC.

* * *

RESEARCH AND DEVELOPMENT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, the government has again attempted to undermine research and development, long term economic growth and the competitiveness of Canadian business in world markets with the recent decision in the 1990 budget to cut science and technology spending by $39 million, to reduce transfers to the provinces for education, and most recently the cut-back on research staff. Further, a letter written by the president of the council indicates that steps to privatize the National Research Council are being taken.

In an area in which technological preparedness is a key determinant of strength of the Canadian economy, the National Consortium of Scientific and Educational Societies recently recommended that the government increase investments in research performed by federal laboratories. It is imperative that the development of scientific research and technology be encouraged and funded publicly, as well as privately.

While research activity in the private sector has increased in recent years, current forecasters predict a decline in R and D spending over the next five years in anticipation of an economic downturn. The government must increase investment—

The Acting Speaker (Mr. Paproski): The hon. member for Port Moody—Coquitlam.

* * *

EXTERNAL AFFAIRS

Mr. Ian Waddell (Port Moody—Coquitlam): Yesterday the State of Iraq executed Farzad Bazoft, in violation of international law. Mr. Bazoft was aged 31. For what cause, Mr. Speaker? Because he was a journalist in search of a story.

This was a barbaric act and deserves the condemnation of civilized people everywhere in the world. I call upon the Canadian Government to recall the Canadian Ambassador from Iraq and for the nations of the world to take economic sanctions against this barbaric regime.

I call on the House of Commons to pause for a few seconds in solidarity with the journalists from the London *Observer* who had a silent vigil in front of the Embassy of Iraq in London.

This was a barbaric and tragic act and a blow to freedom of expression and to journalists everywhere in the world.

ORAL QUESTION PERIOD

[*English*]

NATIONAL ENERGY BOARD

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister.

In the discussions leading up to the free trade deal, Americans said they did not like our system of unemployment insurance and they wanted it brought down to American levels. They will get that if Bill C–21 goes through.

They also said they did not like our system of regional development grants. They will get that if the budget goes through.

Furthermore, they said that they did not like our approach to giving Canadians priority access to Canada's own natural gas. They are going to get that with the decision of the National Energy Board yesterday that it will no longer apply a cost benefit test in deciding whether to permit exports of Canada's natural gas to the United States.

I want to ask the Acting Prime Minister, will he not admit that there is an emerging pattern here, a disturbing pattern of Canada caving in, in every instance when it comes to protecting the rights of Canadians about their future and the future of this country, or will this government give a direction to the National Energy Board that it must continue applying the cost benefit tests when it comes to exports of natural gas and making decisions about such exports?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the National Energy Board's decision takes account of the market's ability to balance supply and demand. It also takes account of Canada's environmental and energy supply requirements. Its approach takes account of these two aspects that are fundamental for Canada. On one hand, we have a free market, of which Canada is part. On the other, we have our environmental and security interests. I believe that the board has come up with a balanced proposal.

[*English*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister's answer flies in the face of the history and experience of this country which says that leaving everything to the market, important as it is, does not necessarily always result in the Canadian public interest being respected.

Foreign ownership of our upstream petroleum and natural gas sector has increased to 62 per cent. What the decision of the National Energy Board is saying is that not only will foreign subsidiaries be sending back dividends to the United States, but also that they will be getting cheap natural gas and contracts lasting for 100 years.

I want to ask this government if it is going to give a mandate to the National Energy Board to protect the interests of all Canadians, stop caving in and start standing up for this country, all of this country? When is it going to do that?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I know that my hon. colleague represents a party that does not trust the laws of the market. But they are the laws that apply in the western world at this time. I believe that they can assure and support trade in energy. However, in some areas there are environmental priorities. It is essential to protect the environment, it is essential to protect Canadians' security of supply. When these are at stake, the board will make the appropriate decisions. Meanwhile, the laws of the market favour both producers and consumers, whether they are in Canada or in other countries, but the Liberal party has still not realized this aspect of its policy.

• (1120)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister mentioned a matter of trust. Canadians don't trust this government, which is obvious from the fact that the Province of Ontario said that without a cost–benefit test, the National Energy Board could no longer excercise its mandate, which is to protect the interests of the public, and Quebec noted that a cost–benefit test was the only way to reconcile public and private interests.

I therefore want to ask the minister what action the government intends to take to give due consideraton to the concerns of Ontario and Quebec and protect the public interest?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the government wants its policy to be balanced. We have the producers who own the resources, Mr. Speaker, and who want to sell them. We also have the general concern of Canadians about two priority areas, namely, protecting the environment and protecting security of supply. The government and its agency look at both aspects.

I believe the laws of the market will achieve a balance between supply and demand, Mr. Speaker.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Acting Prime Minister. The National Energy Board's decision marks a radical departure from its position a little more than two years ago when it introduced the cost-benefit test. Yesterday, the board scrapped the test, the most important tool it had, to measure public interest of an energy export.

I want to know what the government's position is on this decision, and what is it willing to do to ensure that the public interest is protected?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the government is committed to an economy that is based on free markets, free enterprise and free entrepreneurship. The result is that the economic situation in our country is improving and that responsible producers who own their resources are able to sell them, while two priorities of Canadians are also protected: the environment and security of supply. That is the thrust of the regulatory agency's policy, Mr. Speaker.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, in submissions to the National Energy Board, this cost benefit analysis was called the most important tool to protect the public interest.

Yesterday's decision to drop this test was made in the context of the government's trade deal with the United States. I want to ask the minister if he will admit that the free trade agreement is really to blame for the loss of this very important public tool.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, with or without the Canada—U.S. Free Trade Agreement, this government is committed to an economic system based on the laws of the market, on an economic system that allows us to move our goods. The Liberal Party is committed to reintroducing in Western Canada a national energy policy that was a disaster, both for western provinces and central Canada, and which cost the people of Alberta, Saskatchewan, Manitoba and British Columbia billions of dollars.

Mr. Speaker, we will not turn the clock back.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to put my question to the same minister on the same subject. Once we cut through the gobbledegook of yesterday's decision, what we find is that four huge export contracts of natural gas will be permitted to go to the United States at costs which are much lower than the costs that consumers in Canada will have to pay in the future to replace those exports.

In 1988, the NEB itself stated: "Canada's current gas supply is from conventionally producible resources. Over time the nation will become increasingly dependent on higher cost resources".

Will this government finally stand up for Canada's interests, for Canadian consumers, and tell the National Energy Board to defend the public interest as it should be doing?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, NEB officials follow current policies and set prices in accordance with the market. Intervention on the part of the regulatory agency is justified because they have concluded that the market is not operating efficiently and that public interest is not properly served.

[*English*]

What happened yesterday with the National Energy Board is very good news for people living in Alberta, Saskatchewan and British Columbia. They do not want this government, pushed by the Liberal party or the NDP, to return to the national energy policy. We think

that the market is the best way to regulate the markets, not the national energy policy.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact, this decision is very, very good for the producers and very good for the companies which are selling natural gas to the United States. It is not good for the people of Alberta, Saskatchewan or British Columbia, and I think the government should realize that.

The social cost benefit analysis approach, which is an approach used by the World Bank, the International Monetary Fund, all sorts of institutions—

Mr. Speaker: I would ask the hon. member to put his question.

Mr. Langdon: I ask this government to stand up and say to the National Energy Board that this test of the public interest, the social cost benefit test, is something which should be protected, something which is used throughout the world, something which protects not just consumers but producers, too.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, we should keep in mind that the social cost benefit test was just one of the many tools used by the NEB to decide whether the proposed exports are in the public interest.

Mr. Speaker, it should be noted as well— I pointed out that our colleague—

[*English*]

—that this policy is in favour of companies. First, this policy is favourable to those who work for those companies. There are more people in Alberta who work in the energy field for companies than there are companies. This is not just for the companies as investors, it is first of all for those who have jobs in the energy field.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me make it clear that it is companies that will gain short term profits at the expense of long term jobs.

Is the government prepared to stand up and protect the consumers of Canada right across this country, because this is an approach which will damage consumers, not just now but in the future. Is this government prepared to stand up and protect the consumers of this country?

• (1130)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can only repeat that the government is quite confident that the National Energy Board gives due consideration to the market forces as well as to the short-, medium- and long-term interests of Canadians with respect to the environment and the energy supply. These regulations have nothing whatsoever to do with the free trade agreement. First and foremost they apply in a free world where the market is the rule which makes it possible to balance the needs of consumers and producers alike.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is directed to the same minister. He has just said that this decision had nothing to do with the free trade agreement. We know that it was occasioned or caused by the cases which were being brought by the U.S. companies and that the U.S. government was going to challenge under the FTA. The pressure was on and once again the government caved in.

I want to put this question: Does the government not understand that there is a difference between the interests of Shell and the interests of the public of Canada? Does the government not understand that the responsibility of the National Energy Board is to use powers to protect the long-term security and pricing of a resource that the Canadian taxpayer has been subsidizing for the last 20 years or 30 years?

Why has he given up those powers? What kind of powers is the government now going to give back to the NEB so he can protect Canada again?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I know that for a good many years now the Liberal Party has rejected the notion that Albertans own their natural resources and ought to benefit from them. I know full well that in recent years, within or because of the national energy policy, the Liberal Party has sought to compel Albertans to share their resources with the rest of Canada. However I would suggest that Albertans

own these resources and have the right to use them to develop their province and promote the well-being of the local population.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, this is hardly the minister to tell me what is good for western Canada. I can tell him what is good for western Canada, because I have been fighting for it—

Mr. Hawkes: You gave in.

Some hon. members: Oh, oh!

An hon. member: We'll see after the next election, Jim.

Mr. Speaker: The hon. member.

Mr. Axworthy (Winnipeg South Centre): I have a very basic question for the minister. He says that he has to balance between the rights of the market-place and the rights to defend the public interest. We know that the government has been giving all kinds of power to the market-place. What powers are possibly remaining under the National Energy Board to protect the public interest? Who is going to have any authority to exercise judgment about what is the long-term interest of Canada? I remind him that it is Canada we are talking about, not a bunch of provinces.

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I think the National Energy Board, first, has all the confidence of the government to make that judgment, and it has all the tools to make sure that its judgment will be based on something good for Canadians. It has all it needs to protect the environment of the country and to protect the national security for energy. The National Energy Board has all of that and it knows one thing for sure—

Mr. Axworthy (Winnipeg South Centre): You've taken its tools away.

Mr. Masse: —which the member does not seem to remember, that is that natural resources are owned by provinces. People who want to develop those natural resources have a right to do so. I think that people who live in Alberta have a right to develop their province and their own well-being based on the natural resources. They want to trade, not just for you but for them too.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Deputy Prime Minister. The Minister of Finance was in Montreal yesterday and kept up his mean-minded attack against Canadians who object to his GST legislation. He said seniors are behaving like children. He asked Canadian workers to be less greedy. Here is my question: Will the government ask the Minister of Finance to apologize to Quebec seniors and to Canadian workers whom he accused of being too greedy?

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Minister of Finance is in Montreal for two days of meetings with various groups.

There was a request that seniors meet with the Minister of Finance in Montreal. That meeting was arranged. The seniors arrived at the meeting, made a statement and left. They did not stay to listen to the Minister of Finance discuss the various positions on the goods and services tax.

The positions include the fact that 84 per cent of seniors will receive some form of tax credit rebate from the goods and services tax and that in fact a very large portion of them will be far better off after the goods and services tax comes into place.

Mr. Douglas Young (Gloucester): Mr. Speaker, yesterday in the House the Minister of National Revenue told us that small business supported the tax when every indication in the country is that a vast majority of small business people oppose the tax.

The Minister of Finance went to Montreal and insulted senior citizens of the country by refusing to listen to them. He told them that they were behaving in a childish way. The Minister of Finance told workers in the country that they were too greedy.

My question is very simple. Is the Minister of Finance going to be asked by the Prime Minister and by the government to apologize to Canadians whom he attacks if they oppose his favourite hobby-horse, the goods and services tax?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I have not seen the hon. member, who has been attacking the Minister of Finance, apologize to him. We all watched the debate between him and the Minister of Finance with great interest and we know very well who clearly won that one—the Minister of Finance, hands down. The Liberals do not have any alternative to the goods and services tax.

The only thing they have done is to open a phone line and have people from across Canada pick it up and say: "I am against it." The Liberals do not say what they are for. They have no ideas. They are bankrupt. They are living back 20 years ago.

* * *

AGRICULTURE

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds.

It is a poor situation in the country when decisions about what crops will be planted and the future of tens of thousands of farm families depend upon what happens in a meeting between bankers and politicians.

Nevertheless, since that is the situation in the country, can the minister tell us what it was that the Minister of Agriculture and the Premier of Saskatchewan told bankers yesterday in Toronto?

What form of assistance can farmers expect? Will it be loan guarantees? Will it be cash payments? Will it be a targeted program? Will it be universal? How much money are we talking about? Most of all, when can farmers expect to know how much money they will be getting, and when will they get the money?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, it is a difficult situation in a good part of the prairies. There are areas that are not nearly as difficult as some of the areas of southern Saskatchewan and southern Manitoba.

I was at the meeting last night in Toronto with the Premier of Saskatchewan, the Saskatchewan Minister of Agriculture, and our Minister of Agriculture. It was a very good meeting.

We are looking for ways to work together with the industry. We believe that all of us are part of it: the federal government, the provincial governments, the banking institutions, the chemical companies, the machine companies—everybody. We are looking for ways to get through this difficult period because we believe that there are going to be some better times ahead. We believe we are going to make progress at the GATT and see an improvement in prices.

Our record in terms of supporting farmers I think is pretty significant as far as the government is concerned. The Minister of Agriculture has been saying, as have many of the rest of us, that we are there to work with the provinces in this case to have some support as quickly as we can. We are well aware that spring seeding is just around the corner.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I have a supplementary question for the same minister. He knows very well that farmers cannot plant consultations and that you cannot use press releases as collateral.

The Minister of Agriculture clearly promised that money would be in the hands of farmers before spring seeding and the minister knows that seeding starts by the end of April in many areas in the south. Farmers are making their planting decisions now.

Therefore, can the minister say precisely when the government will announce its program and when farmers will get their money? Can he give farmers an answer? They need to know right now.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I know exactly what the member is talking about. I have farmed all my life. I have had a permit book for something like 35 years. He does not need to tell me when farmers need money.

The record of the government in terms of getting money to producers is very impressive. One of the first things we did as a new government in 1984 was to amend the Western Grains Stabilization Act in order to get cash into the producers' hands. We are aware of that, and we are working with the farm community, the provinces and the industry to develop a plan that is going to work and be of significant benefit to those areas that need it the most.

• (1140)

We are well aware that seeding is coming, and we are going to do our very best to have assistance announced prior to spring seeding so that farmers will know what they are likely to get and when they are going to get it.

* * *

[*Translation*]

SOLICITOR GENERAL

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, my question is directed to the Solicitor General. In 1979, Mrs. Annette Proulx was sentenced to life imprisonment for a murder she has always denied committing.

For the past 11 years, she has been serving her sentence at the *Maison Gomin* in Quebec City. Under normal circumstances, this woman, who will celebrate her 75th birthday on May 3rd, will be 89 years old when she comes out of prison.

Mrs. Proulx is seeking a royal pardon, because this is the only way she would be allowed out of prison before she is 89 years old.

All the people involved in this affair, including the Crown, the police, even the presiding judge, agree that Mrs. Proulx would not put society at risk because she is not likely to commit a similar crime again.

In view of this really pathetic situation and on strictly compassionate grounds, I should like to ask the hon. minister if it is true he is about to sign a letter denying her a royal pardon.

Hon. Pierre H. Cadieux (Solicitor General of Canada): Of course, Mr. Speaker, I have been informed of this case and I have every intention to review it before signing anything.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

Mr. Jim Peterson (Willowdale): Mr. Speaker, I have a question for the Acting Prime Minister. This has been quite a week for Connaught. In the latest chapter in the "book of revelations", Institut Mérieux confirmed today that it will not nor does it have any obligation to the people of Canada to fill the jobs of five top Canadian executives that were taken away. This is in direct contradiction to what the minister of industry promised this House last Wednesday. I quote:

> —all, or least most, of the jobs—will be filled again by Canadians.

Who is in charge? The government or Institut Mérieux?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to say to my hon. friend that this is a holding company which is being affected. There were five management personnel in the holding company and, with the takeover by Mérieux, one does not need the holding company.

What the opposition, the hon. member and the government are concerned about is the operating company, the actual medical company that does the research and the sales in the field. It turns out that the holding company disappears with the takeover. Those are the only jobs affected.

All the Canadian jobs that are in the operating company, Institut Mérieux has made it clear that those jobs will continue and be filled by Canadians.

Mr. Jim Peterson (Willowdale): Mr. Speaker, that is not what the minister promised the House on Wednesday.

One more revelation is that today the French firm announced that it would be closing the head office because it will not be needed any more. There will be no Canadian head office to protect Canada's interest and to ensure that Connaught remains a major key player in the world market-place. Overnight, Connaught has become just one more branch plant.

My question is this: Now that the French government has control of Connaught, what will the Canadian government do to protect Canada's vital economic interest for the future?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member does not understand that the plant closure of those executive offices on University Avenue in Toronto reflects the fact that they will no longer be required once Connaught's interest in certain related companies have been sold. The takeover itself means one does not need to have the holding company. It is just a small company of management people.

Mr. Peterson: The top management people, the chief financial officer.

Mr. Hockin: Ninety-nine per cent of the operations is the operating company.

In the sale of Bioresearch and its share in Nordic Laboratories Mérieux is committed to giving preference to any competitive bid by a Canadian purchaser. As I have said before, the main business of Connaught Laboratories, which develops, produces and markets vaccines, will continue to be operated and managed out of Willowdale.

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GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance or to the acting minister. The minister stated in the GST technical paper and I quote:

> —an inflationary response to the sales tax reform would damage the prospect for sustained economic growth.

Does the minister not accept that workers in Canada must protect themselves against the effects of the GST? Why should the workers bear the brunt of the effects of this unfair tax?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, most responsible economists in the country have said that the inflationary impact of the GST will be minimum, around 1.25 per cent to 1.5 per cent. In fact what the government and the Minister of Finance have been saying is that it is not necessary to have large pay increases blamed on the GST and the inflation that will follow. It is a very small amount of inflation and will be only a one-time blip in the inflationary factor. The workers are concerned about something that they should not be concerned about. In fact there is not going to be a large inflationary increase because of the GST.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the new contract settlement for members of the Canadian Auto Workers at Pratt and Whitney provides, and I quote, "an unlimited cost of living allowance to protect themselves from the price effects of the GST". They have every right to seek this protection.

The inflation rate of 1.23 per cent that the minister promised does not take into account the inflationary effect of wage pressures generated by fear of the GST.

What does the minister plan to do? Revise the inflation figures, deny workers the right to protect themselves, or scrap this tax?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, no, we would not deny the rights of workers to collective bargaining and whatever they can bargain with their unions and with their employers. That is entirely up to them and that is the system that they work under in the country. The latter option of scrapping the tax is not an option as far as this government is concerned.

An hon. member: Why not, John?

Mr. McDermid: The Liberals want to tear up the free trade agreement and scrap the tax. They want to go back to the old, old ways which do not work. We are not prepared to do that.

* * *

SOLICITOR GENERAL

Mr. John Brewin (Victoria): Mr. Speaker, last week at the Kingston Penitentiary, a 40 year old man named Gordon Taylor died. The Ontario Provincial Police is presently investigating very serious allegations that the death was murder by a group of guards at the pen.

I met yesterday in Kingston with a number of witnesses and had discussions with senior officials who, I may add, gave every co-operation to me and to my associates.

There is very substantial evidence supporting the allegations. My question to the minister is this. The Correction Service of Canada has ordered an inquiry. Will the minister outline to the House the terms of reference of the inquiry? Will he indicate whether he has given any special instructions to the board of inquiry and, if so, what those instructions would be?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, with respect to the terms of reference, they are the terms of reference of the commissioner, of course, in these circumstances. I am prepared to tell the House what those terms of reference are, but it might take a few minutes. If my hon. colleague would be satisfied with my sending him a copy of the terms of

reference, I am prepared to do that. Otherwise, I can read them, Mr. Speaker, but it will take a little while.

Mr. Speaker: Perhaps the hon. member in his supplementary question could ask a more specific question. I think the hon. minister is right. If it is a lengthy reply, it should be done in another way, but I will hear the hon. member's supplementary question.

Mr. John Brewin (Victoria): Mr. Speaker, I would be quite content if the minister would table the terms of reference to which he has referred, and perhaps in answer to my supplementary question he may wish to summarize it.

I would like to ask him, in addition to that, whether he has ever visited Kingston Pen, in his professional capacity, I may add. The prison was built in 1837. As the minister will know, the staff and inmates are trying to survive in really impossible medieval conditions.

• (1150)

Would the minister agree to go to Kingston to meet with the inmates, the staff and the officials? Would he be prepared to ask his officials to finally launch a plan to close this institution, which is such a disgrace to the country?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, as hon. members know, I have been Solicitor General for just about three weeks now. I have not had time to visit all those institutions. As part of my responsibilities, I intend to visit as many as possible.

I did visit the women's prison in Kingston last week. Unfortunately time did not permit me to visit that particular institution. If it is possible, I surely will. It is an important institution, as my hon. colleague knows, and when time permits I will be there.

* * *

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is directed to the Acting Prime Minister.

Today we heard from a Public Works lawyer that the government could lose $2 billion a month if a dispute over a home for the unwanted GST data centre continues.

The dispute involves claims that Public Works is in fact violating government policy for awarding contracts to the lowest qualified bidder.

Can the minister tell the House exactly what he intends to do about this dispute and how he plans to prevent this from happening in the future?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, today I am representing the Minister of Public Works who is meeting in Atlantic Canada.

My understanding is that the issue raised by my hon. friend from Ottawa Centre is before the Federal Court at the present time. It would be inappropriate for us to comment on it at this time.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I respect the statement of the minister.

If the Canadian people have their way we will never see or need a home for the GST anyway.

My supplementary question is also directed to the same minister. With millions of square feet of office space in the national capital region occupied by the federal government, with downsizing, and with thousands of public servants being laid off, can the minister give the assurance to the House that every effort was made in order to accommodate the GST centre in existing buildings rather than going out and spending millions of dollars renting a new one?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I can assure the hon. member that the government has set up an expenditure review committee which examines every dollar that can be saved and that every dollar spent by the government is wisely spent.

I can also assure the hon. member that the procedures followed by the government are those to assure that the taxpayers of the country get the best value for the dollar spent. I can assure him of that.

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CANADIAN EXPLORATION INCENTIVE PROGRAM

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

The termination of CEIP will have a crippling impact on the Canadian exploration industry. Without CEIP, capital spent by exploration firms on exploration will fall drastically and dramatically in 1990 and will fall even further in 1991. That is a period in which even the energy

department has stated categorically that at least $500 million must be spent on base metal exploration alone.

How does the government expect to discover the new mineral deposits of tomorrow if exploration is not encouraged today?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the measures which the hon. member has referred to are part of a package which the government has developed to assist the mining industry by providing it with geological analyses, material research and development, as well as means to improve plant productivity. I do not think that just because a program had to be cut for whatever reason, in this case in an effort to help Canada fight its deficit, the whole geological policy and effort of the Department of Energy, Mines and Resources comes tumbling down. This is only one aspect of a package. I will refer the question to the Minister of Energy, Mines and Resources who is very active in all his areas of responsibility, including the mining industry.

[*English*]

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my supplementary question is directed to the Minister of Finance.

If the minister has any intention of maintaining a healthy mineral sector in Canada, that is maintaining a healthy sector in the northern provinces and northern portions of our country because that is where a lot of the mineral reserves are, he must recognize that mineral exploration today is essential.

Does the minister recognize the importance of replacing depleting mineral reserves and, if so, is he committed to finding some type of alternative measure as a replacement to the CEIP?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I wish to remind my hon. colleague that one of the best ways to help in the development of the mining industry is through flow-through shares. The reason the government has fully maintained the flow-through shares is to assist in the development of the mining industry.

* * *

[*English*]

NATIVE PROGRAMS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, every week seems to bring another cut to aboriginal programs. The Minister of Indian Affairs and Northern Development last fall boasted that the fur industry in Canada out of a total employment of 100,000 supported 50,000 to 60,000 natives and contributed almost $800 million to the GNP.

Just when Canada is now making headway in convincing the European Economic Community to support the marketing of Canadian furs in Europe, why has the minister's department cut core funding to the Aboriginal Trappers Association by 100 per cent, from $120,000 to nothing, and to the Indigenous Survival Institute by $30,000?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, considering the new Minister of Indian Affairs and Northern Development is away on business today, I will try to answer the question from my best recollection.

If I recall correctly, there was a program created through the initiatives of various departments, including Indian Affairs, but also External Affairs and another department, for a number of millions of dollars. Indian Affairs had committed some funds up until this year. The funds, therefore, are not reflected with respect to this year in the Estimates, but I understand that there will be some funds from Indian Affairs.

I am sure that my colleague, the Minister of Indian Affairs will make the appropriate announcement at the appropriate time.

Mr. Robert E. Skelly (Comox—Alberni): I have a short supplementary question, Mr. Speaker.

Given that total government funding to support the fur industry has been cut by about 66 per cent this year, and given that the native lobbying program or native advocacy in Europe has been more successful in turning the situation around there than any other component of the fur industry, why is the minister singling out the native component for the deepest cuts—100 per cent to

the Aboriginal Trappers Association and 17 per cent to the Indigenous Survival Institute?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Again, Mr. Speaker, as I said there was an initiative through three departments over a number of years. I think it was a three-year program or a five-year program. I am sure that my colleague will correct me in due course.

Nevertheless the funds were allocated for a number of years. They have been allocated. The Indian Affairs commitment was to terminate this year. Notwithstanding the fact that nothing is in the Estimates, I understand that my colleague will have some funds available for that particular program. He will announce them in due course.

Mr. Speaker: A single question from the hon. member for Winnipeg—St. James.

* * *

JUSTICE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is directed to the Minister of Justice. Off the top, I should like to congratulate her on her recent appointment to the cabinet.

There is a young man serving time in the Stony Mountain Penitentiary in Manitoba for murder, a murder which he claims he did not commit. This is a matter that goes back 20 years. He has served time for 20 years.

There is some new evidence suggesting that it was not possible for this young man to commit the murder. This evidence is supported by a forensic scientist at an institution at the University of British Columbia in Vancouver.

I understand that the Justice Department is investigating this case. When can we expect a report on this matter?

• (1200)

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the hon. member for his good wishes.

The case is under investigation by the Department of Justice, as the hon. member has said. It is not ready for presentation to me, and when it is and I am in a position to make a decision, I will advise the House.

EXTERNAL AFFAIRS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is to the Minister of Communications. I wonder if I could get the minister's attention. My question is this. What will the government of Canada do to protest the barbarous execution of Farzad Bazoft, the British journalist who was executed last night by the government of Iraq?

Mr. Speaker: This is a serious question and I am sure the government would want to respond. The hon. parliamentary secretary.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I want to respond on behalf of the government and say that the sentiments on this side of the House correspond exactly with those expressed by the hon. member.

The Secretary of State for External Affairs has publicly issued a statement regretting this barbarous act. We see it as no hallmark of any country that would purport to comport with other civilized countries of this world.

In the past year, 53 journalists have been killed in the line of duty. This indicates how high the risks are, and in this particular instance the Government of Canada has expressed its outrage over this very tragic development.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

RESPONSE TO FIFTH REPORT OF STANDING COMMITTEE

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, further to the government's response to the fifth report of the Standing Committee on Transport, I have the honour to table, in both official languages, a proposed strategy concerning substance use in safety-sensitive positions in Canadian transportation.

Mr. Speaker, I think you will find that there is unanimous consent to refer this document to the Standing Committee on Transport for consultation with inter-

ested parties. I would ask that the committee report back to this House within 90 days.

Mr. Karygiannis: Point of order, Mr. Speaker. My colleague wanted to respond and I just noticed that your eye was not on this side.

Mr. Pagtakhan: Mr. Speaker, I would like to know if I may respond to the hon. minister.

The Acting Speaker (Mr. Paproski): There is no response to tabling of documents.

Mr. Pagtakhan: Mr. Speaker, I would like to know if the hon. minister is looking for unanimous consent of the House?

The Acting Speaker (Mr. Paproski): Is the hon. minister asking for unanimous consent?

Mr. Lewis: Yes, Mr. Speaker, within the context of my remarks, I asked for unanimous consent to refer it to the Standing Committee on Transport, and my hon. friend may be wishing to respond to that request.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the hon. member to respond?

Mr. Pagtakhan: Mr. Speaker, the Official Opposition gives its consent and expects the government to act with speed and sensitivity to the report of the Standing Committee on Transport when reported back to the House.

Mr. Murphy: Mr. Speaker, there is unanimous consent on behalf of the New Democratic Party to have this report referred to the Standing Committee on Transport for a very thorough study.

* * *

[*Translation*]

1989 COMMISSION ON JUDGES' SALARIES AND BENEFITS

TABLING OF REPORT AND RECOMMENDATIONS

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to section 26 of the Judges Act, I am pleased to table, in both official languages, the report and recommendations of the 1989 commission on judges' salaries and benefits.

[*English*]

PETITIONS

GOVERNMENT RESPONSE

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

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

EXTERNAL AFFAIRS

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise to present a petition to the House regarding an individual, a Canadian citizen, who has travelled overseas and was detained. I hope that the government will act very quickly to rectify this situation.

The petitioners have approached many members of this House about Mr. Leo's case. I hope a resolution will come about quickly because when Canadian citizens travel abroad we should be able to protect them.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, as the member for Scarborough—Rouge River, I am delighted to present to the House a petition certified as correct under the standing orders in connection with the conviction and jailing of Mr. Columbus Leo in Taiwan as a result of a visit there.

Approximately 100 petitioners residing in my constituency and in surrounding constituencies ask the government to intervene and attempt to resolve the matter for Mr. Leo and bring him back to Canada.

SOCIAL PROGRAMS

Mr. John Manley (Ottawa South): Mr. Speaker, I am pleased to rise today under Standing Order 36 to present a large number of petitions from many regions of Canada from Canadians who object to the clawback of old age security benefits contained in the legislation which is now before the Senate.

GOODS AND SERVICES TAX

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to present, pursuant to Standing Order 36, petitions from a variety of neighbourhoods in my riding.

A condominium corporation is represented here, a high rise apartment building which is rented primarily to seniors, and the full population of one entire street. I think that is representative of the proportion of Canadians who feel that they want Parliament to reject the goods and services tax. They are concerned about its impact on their spending powers. As consumers they are concerned about its impact on the economy of the country and the future of their families.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to present, pursuant to Standing Order 36, the signatures of several hundred people from my riding of Nepean and some from outside the riding.

They are all opposed to the imposition of the goods and services tax. They feel it will be injurious to the economy, create higher inflation, higher interest rates and higher unemployment.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I am pleased to present a petition on behalf of hundreds of Canadian citizens of the municipality of Gloucester, the Carleton—Gloucester region, the City of Ottawa, and of several municipalities of the provinces of Quebec and Ontario as well as of the Northwest Territories who are opposed to the federal government's proposed goods and services tax.

[*English*]

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of citizens of the city of Edmonton—probably constituents of yours, Mr. Speaker—who are concerned about the goods and services tax.

These petitioners call upon Parliament to reject the current proposal for the goods and services tax and request a reform of the taxation system be put in place so that there would be an effective tax which would be fair to all Canadians.

• (1210)

Mr. Douglas Young (Gloucester): Mr. Speaker, I want to present a petition signed by many residents in my constituency and the neighbouring constituency—

[*Translation*]

Mr. Speaker, they are residents of Rivière-du—Portage, Pont-Lafrance, Sheila, Leach, Pont-Landry, Shippegan and Caraquet who are strongly opposed to the goods and services tax. They urge the Conservative government to withdraw this tax which will have harmful consequences throughout Canada, particularly in the region of the Acadian peninsula.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, pursuant to Standing Order 36, I would like to present petitions on behalf of my constituents and many others across Canada, most of them seniors who are totally demoralized by the current government's approach to the goods and services tax. They oppose it completely and want something that is more simple, fair and workable.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise under Standing Order 36 to present a petition from people of Ontario and Quebec who totally reject the current proposal for the goods and services tax.

They ask that the government ensure that if and when there is a broad public consensus on a sales tax measure to replace the MST, that this new tax not be an opportunity for the government to impose a massive tax grab upon the people of this country. They also ask the government to desist in its proposal to shift the tax burden to ordinary Canadians through this regressive consumption tax and attempt a real tax reform.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, it is my duty under the provisions of Standing Order 36 to present a number of petitions from a series of communities across Canada including communities in that great constituency of Comox—Alberni.

The petitioners are calling on the government to reject the current proposal for a goods and services tax and to reform the tax system so there is an effective minimum tax on wealthy individuals and corporations. They note that neither the Liberals nor the Conservatives have presented an alternative to the goods and services tax.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, it is my duty and indeed a privilege to present four petitions from constituents in Sault Ste. Marie indicating that the government should scrap the tax. The petitioners are

wondering about democracy in this country, when 80 per cent of the population is against such tax.

VIA RAIL

Mr. Steve Butland (Sault Ste. Marie): I also have one belated petition that I am very happy to present, although it is too late. VIA Rail has already been gutted. They are adding insult to injury by trying to sell the excess cars back to Canadians taxpayers who will have to pay for them again.

SOCIAL PROGRAMS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it is my duty and privilege to table hundreds of petitions containing thousands of signatures signed by seniors across Canada.

They protest the cutback in the old age security system engendered by the government's introduction of the clawback provision to the Income Tax Act. These senior citizens, the thousands and thousands who have signed these petitions from all across our country, are outraged that the government has chosen to tax away their pension rights to which they have contributed over the years.

They humbly pray and call upon Parliament to reject the inequitable and unfair tax burden being placed on them to the exclusion of all other citizens as contained in the clawback provision to the Income Tax Act introduced by this mean-spirited government.

GOODS AND SERVICES TAX

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, it is my pleasure to present petitions from hundreds of taxpayers across this country who are calling upon this government to reject the goods and services tax. They want reform of the taxation system so that there is an effective minimum tax on wealthy individuals and on big corporations. They want to ensure that there is a broad public consensus of the sales tax measure to replace the MST, not to use this so-called reform as an opportunity for the government to impose a massive tax grab on its citizens.

They call on this government to reject the goods and services tax.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Routine Proceedings

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 217 and 218.

[*Text*]

OSLO ENVIRONMENTAL REVIEW PANEL

Question No. 217—**Mr. Caccia:**

Is it the intention of the government (a) to include in the terms of reference of the OSLO Environmental Review Panel the impact of production from the OSLO oilsands on Canada's carbon dioxide balance (b) to withdraw its funding and support for the OSLO oilsands project if the Review Panel determines that such project would increase carbon dioxide pollution in Canada, using 1988 as a base year (c) to provide funding for intervenors in the Public Review and, if so (i) what amount (ii) in what manner will it be allocated?

Hon. Lucien Bouchard (Minister of the Environment): (a) The terms of the agreement with Alberta governing a joint federal/provincial review of this project have not yet been finalized but the intent is to permit the panel to examine all environmental impacts of the project.

(b) The federal government has announced its decision not to provide funding for this project other than for engineering studies.

(c) No.

COSTS INCURRED BY GOVERNMENT FOR TRAVEL TO/IN EL SALVADOR

Question No. 218—**Mr. Blaikie:**

In (a) the month of December, 1989 (b) the entire calendar year 1989, were any costs incurred by the government for (i) transportation (ii) accommodation (iii) meals and other expenses for government officials present in El Salvador and, if so, in total, what were they?

The Right Hon. Joe Clark (Secretary of State for External Affairs): The cost *(including transportation, accommodation, meals and other expenses) incurred by government officials present in El Salvador were:

a) $6,444.63 in December 1989

b) $54,352.55 in 1989

* Itemized costs not readily available

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the parliamentary secretary have been answered.

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if question No. 206 could be made an order for return, this return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that question No. 206 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 206—**Mr. Saint-Julien:**

In fiscal year (a) 1979–80 (b) 1980–81 (c) 1981–82 (d) 1982–83 (e) 1983–84, were fees paid to notaries and legal agents acting on behalf of the Federal Business Development Bank and, if so (i) what are the names of the recipients (ii) what were their dates of appointment (iii) what fees were paid to them?

Return tabled.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL RESEARCH COUNCIL

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

That this House condemn the government for its failure to support the National Research Council as Canada's premier research institution and its failure to promote basic scientific research in Canada.

The Acting Speaker (Mr. Paproski): The hon. member had six minutes remaining in her speech plus ten minutes for questions and comments.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I shall continue. The NRC has substantially increased its revenues, from $12.5 million in 1984–85 to $22.1 million in 1989–90.

This increase in revenue reflects an increasingly widespread perception of the usefulness and value of the NRC's services and helps guarantee that NRC programs are relevant to the needs of its clients.

I think it is becoming increasingly attractive for NRC laboratories to be active in research consortiums and other research activities involving several partners.

Participation in several collaborative ventures as set forth in the federal policy on technology centres has helped the NRC to enhance its image and obtain substantial bonuses.

The NRC has also entered into a number of scientific and technological agreements with partners in universities, government and industry. Since 1985, it has signed 40 memoranda of agreement with other government departments and agencies, industrial associations and Canadian and foreign research agencies.

Furthermore, the NRC will be associated as a partner with 10 of the 14 networks of centres of excellence financed by this government, as I mentioned earlier.

Mr. Speaker, now that we are entering the 1990's, Canadian industry must be able to contribute to the latest technological developments and incorporate them in its products, if it is to remain competitive at the highest levels on international markets. We must act now. If we hesitate and are left behind by our competitors, we can kiss our very comfortable standard of living good-bye.

The federal government is committed to deploying all available resources to support this national priority, and the NRC is one of the most powerful and effective resources it has today. The key to success, however, is to refine the priorities of the NRC.

The NRC must play a critical role that very few other Canadian institutions would be able to play. It must serve as a catalyst in the development of profitable co-operation between all the players involved in research and development in this country, namely the provinces, the industrial corporations and the universities. It must

provide a solid technological information and resource base. It must create job opportunities for young scientists, engineers and technicians and contribute to the training of a technically well-qualified labour force to meet the needs of all the sectors of our economy.

The NRC will continue to carry out world-class research as it has done in the past 75 years, well aware of the necessity to remain relevant and to satisfy the needs of the nation.

• (1220)

Such are the priorities which are being considered while the National Research Council is preparing its next long-term plan. This process aimed at defining the NRC's major development orientation over the next decade should be completed soon and will require consultation with the NRC's main customers and partners, as well as the users of its research abilities.

As the science minister mentioned in the House on many occasions, the National Research Council will continue to play a vital role in the future.

It is responsible for bringing together various research and development partners and for building some forms of co-operation conducive to a maximum utilization, an optimum use of Canada's research and development resources.

This is especially true of the long-term precompetitive-type research and development which the NRC is ideally suited to carry out and support. However, the NRC's whole range of activities may benefit from this approach.

The hon. members are well aware that the NRC is preparing a long-term plan which will define the strategies and initiatives which will give it the opportunity to assume this role, and the government is looking forward with great interest to reading it.

Mr. Speaker, the NRC can expect a brilliant future and an increasingly important role.

This opposition motion does not take sufficiently into account the NRC's current major achievements, and it overlooks very attractive opportunities which will be available in the future.

I, therefore, strongly urge the House to turn down this motion.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to say to the hon. member that in listening to her speech I felt she made a brilliant case not for a cut-back in the National Research Council but for an enhancement of its budget. She talked about—

Mr. Beatty: You are even frightening the babies in the galleries.

Mr. Mills: Well, having four of my own, Mr. Minister, I did not mean to frighten the child.

It is precisely because of this child that we are here today. This government has lost its sense of vision.

My colleague said this morning that it was 1961 when John F. Kennedy said, "We are going to put a man on the moon". He was able to galvanize the will of Americans in science, educators and labour. Everybody pulled together.

This member has made that same case. This is one of the most powerful instruments which this national government has to galvanize this nation, galvanize it in a way that the productivity we need to be world class is there.

So my question to the hon. member who made such a brilliant case for the National Research Council is this. Why should we cut back on the funding of a national instrument that is so vital in terms of our ability to become world class competitors in science and technology?

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, the hon. member said that I talked as though we were improving the budget for the National Research Council.

I must remind the hon. member that if he looks at the budget figures, he will see that, excluding everything to do with the Space Agency, the funds for the National Research Council have increased.

But it is true that the management of the National Research Council wants to make the NRC much more efficient, to deal with what must be done in the fields of research that must be emphasized in the coming years.

So when the hon. member seems to be referring to the fact that our government—You always seem to be saying that we do nothing, that we do not want to have a competitive country. I just started after my colleague's speech to explain what the government was doing and how it went about it and why it all fits into a total picture. It is not just one thing we are doing.

So I must tell the hon. member that I was just explaining everything we had set up, the science and technology policy throughout the country, so that all the provinces in Canada train students and skilled workers to meet the new requirements of high-tech industries, because more and more, industries will be modernized and need this kind of personnel. So I had got to telling you about what we are doing for universities and also for basic research. I was talking about the centres of excellence that will enable us, Mr. Speaker, to continue doing first-class research and basic research, by establishing networks and choosing niches to make Canada a world leader in this field.

Also, another member earlier suggested, when presenting petitions, that the GST was wrong. But behind this initiative, the GST proposal, there is of course the need to reduce the deficit. Since we have to pay interest on the debt to the tune of $39 billion a year, can you imagine what we could do for research or social programs if we did not have to pay that kind of money each year? This is really disturbing. Also, under the over all plan which calls for efforts to be made to turn Canada into a first-rate country with a competitive industry, it should be noted that by changing the tax from the 13.5 per cent levied on manufactured goods produced here in Canada, we will end up being competitive and have a chance—Canadians will have a chance to buy Canadian products, because they will be comparable to foreign imports.

There is also the involvement of universities. Unfortunately, Mr. Speaker, the hon. member was not here earlier, or he would have known that all this is part of the plan. All our policies are developed and designed, to make our economy more flexible so people can adjust. We called upon industries and universities. We introduced matching funding under which industries now can use top-notch scientists that are doing research within universities. Matching funding has a two fold benefit because Students can now be trained to really meet the needs of industry.

We are also keeping high priority on large projects such as the Space Agency, the RADARSAT program, and our involvement in the space platform project.

Therefore, Mr. Speaker, as I answered briefly to the first question put by the hon. member, there has been no cuts to the NRC. The five year plan is being prepared, and this is something important for the future, Mr. Speaker. The Council is now reviewing all areas of research currently done in-house, Mr. Speaker, and they are looking at new avenues that could be extremely interesting.

• (1230)

[*English*]

Mr. Manley: Mr. Speaker, I am mystified by the parliamentary secretary's statement that there have not been cuts. From 1984-85, when this government came into office, the budget has been reduced for the NRC from $505 million down to, in the coming fiscal year, $433 million, with the space agency included. So there has been an absolute reduction.

The parliamentary secretary has made a very good case, as my colleague said, for the National Research Council. Having made that case, does she and the government agree with the views of the president of the National Research Council that the NRC should limit its involvement in basic research to that required to maintain a minimal scientific insurance policy for the nation? And does she agree that the NRC should pursue a policy of privatization and divestiture as indicated by the president of the NRC?

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I thank my honorable colleague for asking that question. I must point out to him that it is not the intent of this government to have the National Research Council of Canada privatize its staff. In our view, it is important to keep a strong National Research Council really responsive to the needs and expectations of Canadian scientists and industries, and that is one of our priorities.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I rise on behalf of the NDP to support the motion made by the member for Ottawa South. We also would like to join in condemning the government for the lack of

support it has had for the National Research Council and also for research in general in Canada.

I was interested in listening to the comments of the parliamentary Secretary. The government always argues the deficit by saying that if it was not for a $30 billion deficit we would be doing so much more government research. I suspect that the deficit is simply an excuse to cover the government's ideological direction that it prefer that research be done in the private sector and that the government do no research at all. That is a completely ridiculous point.

It is interesting that the parliamentary secretary always justifies funding cuts as a method of increasing efficiency. When you cut funding to research or the National Research Council, you do not increase efficiency, you inhibit the council to do what it was set out to do in the first place and that is to conduct pure research that may not be a part of the system of priorities of the private sector in the country.

We have all read the statistics that indicate that Canada has one of the poorest records of the industrialized countries in terms of its support for research and development. A recent issue of *Science Statistics* that points out that the federal government's contribution to research and development in the country continues to decline, both as a performer, 17 per cent of total research and development, and as a funder, 31 per cent.

Even when the government was still talking about nuclear submarines and not deficits, it was still in the process of cutting support to research and development, both in terms of the amount of research it did and in terms of the amount of money they made available to it. So Canada has a poor record since 1984 with respect to its contribution to research and development in spite of the promises made over the years both by the Prime Minister and by other ministers in the cabinet.

We spend 1.23 per cent of our gross national product on research and development. That is half of what Japan spends and half of what countries like Sweden spend. I think it is reflected in the way our industry and economy are organized in this country.

In terms of employment in research and development we rank eleventh among the industrialized countries, that is in terms of employment in universities as well.

University research is an important part of the research and development capability of this country, part of it in connection with the National Research Council and part in connection with private industry through discovery parks, centres of excellence and all those things that have been set up. Centres of excellence have been set up over recent years by Conservative governments.

Yet the same government that talks about its priorities with respect to research and what it would do if it could only cut the deficit has, over the years, cut EPF funding to the provinces which in part goes to funding university research.

David Suzuki made an interesting statement a few years ago about how the employment of scientists is allocated in Canada. He pointed out that 99 per cent of the scientists who are working in Canada are working in undemocratic institutions. They are working either for the military or for corporations where decisions are made on the basis of one dollar, one vote.

That was an interesting comment because when that happens it means that the research is not directed by the needs of the people of this country but by the needs and priorities of undemocratic institutions. We are trying to improve and maintain the funding of the National Research Council which represents the resource priorities of the people of Canada and, therefore, we consider this an extremely important organization.

The National Research Council has some important facilities, some of them based here in Ottawa. It has wind tunnels that are used by private and public organizations around the country. For example, Toronto City Hall was designed with the assistance of the wind tunnel here owned by the National Research Council.

The wave pool facilities that are located here in Ottawa are used to develop ports on every coast of Canada. In fact, they were used as part of the investigation to determine what happened to the *Ocean Ranger* when that oil drilling rig capsized off the east coast of Canada. It was National Research Council facilities that were used to find out why that happened and in fact it

was National Research Council scientists who were able to find out exactly what the problem was.

So the NRC has provided great scientific service to Canada over the years. By cutting back the funding to the National Research Council, the Tories in this country are doing a great disservice to Canadians.

It is easier to understand this ideologically because the Conservatives essentially believe that research and development should be done by the private sector. However, there are a few horror stories that show that this should not always be the case, that there should always be the ability on the part of government, on the part of the representatives of the people, either to do pure research on behalf of the people or to audit the research that is done by private organizations.

One of the classic examples of this is the Industrial Biotest Laboratories scandal in the United States. This happened in the 1970s, so many people might not remember. IBT Labs were a subsidiary of a chemical company and at that time the Environmental Protection Agency of the United States, under a similar kind of privatization ideology to that enjoyed by this government, decided that they would not use government labs to test pesticides. Those chemical companies which were applying for the registration of pesticides would have private labs do the examinations, toxicology studies and all the other studies that were necessary in order to justify the registration of those pesticides through the Environmental Protection Agency in the United States.

It was found out, after an examination by the office of management and budget in the United States, that 737 tests done by IBT Labs in the United States were faked in order to get those chemicals registered as pesticides in the United States. Over 200 pesticide chemicals were involved and, as a result, the Government of the United States and the Government of Canada were forced to spend hundreds of millions of dollars in order to go through all of IBT's scandalous pseudo tests to find out which ones were accurate and which ones had been faked. They then had to go through the process of deregistering pesticides that they found out were teratogenic, that is they led to monstrous birth defects, or carcinogenic, that caused cancer, which information had been suppressed by IBT Labs in the United States.

• (1240)

Canadians and people in the United States who believe in the so-called values of privatization must understand, from that example, that as a result of what IBT did in the United States, as a result of the scandalous suppression of information in those toxicology tests, hundreds of Canadians today may be dying of cancer or giving birth to children with monstrous birth defects.

In spite of the information gained and the lessons we should have learned from IBT, the fact is that, for example, the Government of British Columbia has just privatized its environmental lab and now people in British Columbia are complaining about the very low quality of environmental research and environmental testing that is being done in British Columbia. It is actually inhibiting the clean-up and the enhancement of our environment on the west coast and creating serious problems for people in the fishing industry and people who depend on fresh water supplies and also on the life-sustaining capabilities of the marine environment on the west coast.

I have some serious concerns about the ideological propensity of the Tory government to cut back on research in order to encourage research being done in the private sector because that research tends to be of lower quality and also tends to be more self-serving and in some cases, as in the IBT example, is extremely suspect.

I had a case in my riding which does not relate directly to scientific research but which relates to public funding of applied research that can have an impact on how Canadians are served by the scientific community. In the Toronto Children's Hospital we had a doctor whose name, I think, was Ian MacDonald. He became an expert in reconstructing the craniums and faces of children who were born with extremely distorted faces. Those kids were often abused by the other kids at school. They were rejected by their parents. They ended up living short, unhappy, terrible lives.

Dr. MacDonald was able to put together a team at Toronto Children's Hospital which developed surgical techniques and treatment techniques. As a result of the public support given by Toronto Children's Hospital, he

was able to put together one of the best teams on the globe for cranial facial research and reassembling the facial bones of these children so that they could look like normal human beings, enjoy life and relationships with other children and become fine, positive, contributing citizens of Canada.

However, the Humana Hospital in Dallas—Forth Worth found that it could give more money to this type of research than Toronto or than the province of Ontario was willing to give. As a result, they were able to take Dr. MacDonald and his team of cranial facial specialists down to Humana Hospital in Dallas—Fort Worth and set up what they call the International Cranial Facial Institute, which is now the premier institution in the world for doing this kind of research and for providing treatment to children.

The worst thing about that is that now Canadian children are being sent to Texas to get this type of treatment and Canadian doctors are going there to become involved in this kind of research because Canada, as a result of its foolish priorities or its lack of priorities in this area, neglected to provide the necessary funding.

We also tend to believe that research is going to be done in universities but, as I mentioned before, the current cuts in transfer programs to the provinces is going to result in a cut in funding to research. In my discussions with presidents, deans and department heads in universities over the last four or five years I have heard that there has been a massive outflow of quality scientists from Canadian universities to the United States and to other areas where there is a priority for investment in this kind of research. The priority for the investment seems to be lost in Canada. That loss of priority is reflected in the funding cuts to the National Research Council and the lack of priority that this government seems to allocate to research and development in this country.

The parliamentary secretary was talking about the problem of the deficit, saying that we have to take money from scientific research in order to deal with the deficit and that when the deficit is no longer a problem we will come back and fund scientific research. By that time it is going to be too late. The reputation of our research institutions will have suffered. The ability of our research institutions to recruit people will have suffered and the respect that scientists around the world have for research institutions will have suffered as well.

As a result, Canada will be spending millions upon millions of dollars more than if the government had maintained those facilities and the funding and kept the scientists rather than doing the silly thing that it is doing now, which is transferring money from pure scientific research to paying off the deficit.

There are other things that can be cut and we pointed out in previous speeches in the budget debate exactly where those cuts could take place without seriously harming science and our economy. These kinds of cuts do disastrous damage to our economy and disastrous damage to our scientific establishment.

We congratulate the Liberal member for Ottawa South for bringing up this resolution in the House.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, my honorable colleague raised quite a few points. The government continues to favour also research done in laboratories, in universities and elsewhere.

[*English*]

The greatest problem is transferring out the knowledge gained to the industry where it will do the most good and increase productivity.

[*Translation*]

That is the primary role the National Research Council has been playing for some time in basic research within the context of its long–term applied research based approach which may have general applications in the industry and in governmental programs. The universities also play a very important role in basic research, and the government suports such activity through granting councils and centre of excellence network programs.

Nevertheless, Mr. Speaker, not only will basic research be maintained at the National Research Council, but it will be intensified through co–operation with the academic sector and other research agencies.

[*English*]

Mr. Skelly (Comox—Alberni): Mr. Speaker, I think the parliamentary secretary was just rereading sections of her speech, so there is really no point in responding to that.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I took some exception to the definition of undemocratic institutions, referring to our Armed Forces. I do not know if the hon. member is suggesting that we vote every time a colonel or captain makes a decision.

Having said that, Mr. Speaker, the member talked about the issue of research and development and the cuts to the NRC. I would suggest that in general terms there is a lack of understanding of what is happening out there.

In my view there is no national standard to deal with the issue of education in the first place that can address and redirect our student population to the proper fields. For example, we have here in Canada 20 times more lawyers per capita than they have in Japan, while in Japan they have 10 times more engineers per capita in society as a whole. In the House of Commons we have approximately 56 to 60 lawyers. In comparison, we have about three engineers. If you consider those figures you have a pretty good idea of what is happening.

There is a lack of understanding and, in fact, a lack of commitment to the issue of education. The fact that the drop-out rate in our post-secondary institutions is approximately 30 per cent should tell us something.

• (1250)

In my view, the whole issue of research and development has to start at the very bottom end of the scale, that is, at the primary school level. We have to start encouraging more students to go into the research and development field, the science field and so on, and start building from the bottom up.

Condemning the government is the least we can do at this point in time.

Mr. Skelly (Comox—Alberni): Mr. Speaker, what I referred to as undemocratic institutions are institutions that could fire a scientist who discovers something that the institution did not want him to discover. That is what happens in the case of the military. I think we have seen many examples of it both in Canada and in the United States.

I support 100 per cent what the member says about starting at the bottom end, I just do not agree that that is the bottom end. If we want to produce a good crop of scientists, the top end is the elementary schools. Instead of having a 27 per cent drop-out rate, we should be contributing the funding that is necessary to produce a good school system in this country so that we are turning out top quality scientists.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the mussel poisonings in December 1987 threw the country into a public health safety crisis. In a matter of days, the health culprit was apprehended. Canadian researchers and scientists identified domoic acid as the responsible toxin.

The identification of this toxin was an historic achievement, an historic scientific breakthrough, thanks to the Atlantic Research Laboratory of the National Research Council.

Many more achievements have been made by this council, and many more will be made, but only if we continue to provide adequate funding. Complacency has no place if scientific breakthroughs are to continue.

That is why the topic we are debating today is such an extremely important one. I therefore support and congratulate my hon. colleague, the member for Ottawa South, for his motion:

> That this House condemn the government for its failure to support the National Research Council as Canada's premier research institution and its failure to promote basic scientific research in Canada.

This is extremely important because science and technology will play a vital role in determining the future prosperity of all Canadians.

The NRC was formed in 1916 as the honorary advisory council for scientific and industrial research and in 1928 the national laboratory was founded. Between 1939 and 1952 reorganization was done to provide a strong foundation in basic science. The principle was established that the extramural budgets of the National Research Council should increase to match the intramural budget.

The NRC is the government's principal scientific research arm, the internationally renowned seedbed of Canada's two Nobel prizes. It has been a source of technological development, not only for Canadians but for citizens of the world.

I would like at this juncture to briefly indicate some of the achievements in order for Canadians to know what the National Research Council has done. Dr. Luc Piché, a scientist at the NRC's Industrial Materials Research Institute, was chosen by the American magazine *Research and Development*, for an award for developing one of the 100 most significant technical developments of 1987. He developed a technique to measure the density of polyethylene using ultrasound technology. This technology provides a valuable tool for both quality and process control, giving the polyethylene manufacturing industry a competitive edge in the international market.

NRC scientists in Montreal developed a biosensor, as another example, which accurately measures the freshness of meat or fish. This product will have an important impact on the food processing industry because it reduces what was formerly an hours–long process to a mere five minutes.

The NRC's division of physics developed a fibre optic system that was used in the world's first open heart surgery to remove plaque from the coronary arteries. Further refinement of his technique, which uses an ultraviolet laser beam to cut away the plaque blocking the blood vessels of the heart, would "ultimately eliminate the need for major open heart surgery", the National Research Council reports.

The public security program of the NRC has developed a system that tracks patients quickly and easily through miniature transmitters inserted in their identification bracelets. This is very useful in keeping track of elderly patients in chronic care hospitals and nursing homes who tend to wander away. These are already being used in Canada and are now being marketed world–wide.

Also, Porter Dillon Ltd. of Nova Scotia has designed Canada's first full–scale biomass reactor for the treatment of municipal wastes. These reactors effectively treat waste and recover energy while offering minimal impact on the environment.

Today, industry in Canada is spread out across the country and the country needs an agent to bring research and development resources together; industry, universities, and government. The NRC is supposed to be this agent. It is ironic that the government expects the NRC to play this vital role at a time when this government is ruthlessly and continuously cutting its budget.

In 1984, $60 million was cut from the NRC budget. In 1986, an additional $29 million and 250 jobs were lost. In the next fiscal year another $30 million will be cut. Hence, programs and personnel will be cut, staff morale will be diminished and benefits to Canadians today and tomorrow will be lost. Many more programs are going to be phased out.

The government has dealt some fearsome blows to the NRC. Scientists wondered in the past, as they are wondering today, if the NRC will survive at all.

In the time remaining I would like to speak about basic research which is very important in the establishment of the NRC, which now has been shifting its focus to helping industry. It appears that basic research is being neglected by the government.

On Tuesday, March 13, *The Ottawa Citizen* and *Montreal Gazette* and other major newspapers carried the news of the cuts to NRC staffing and basic research. It required the courage of the NRC President, Mr. Pierre Perron, to release his letter of January 5 addressed to the Science Council of Canada. I quote: "NRC plans to limit its involvement in basic research—to that required to maintain a minimal insurance policy for the nation." The Research Council's next five–year plan "will propose a clear policy statement and a strategy on privatization and divestiture."

It appears that basic research is being neglected by this government and I challenge government not to do that. It is most crucial that we continue to encourage our creative scientists, provide them with the environment and milieu conducive for them to continue their work and, at the same time, continue to have a decent family life.

• (1300)

The Canadian Association of University Teachers appeared before the Standing Committee on Industry, Science and Technology just yesterday. In its submission the association indicated to the committee its concerns about the plight of basic research in the country.

I ask the government to reconsider its plans and to strengthen rather than dismantle the NRC, if we are to ensure the continued scientific breakthroughs that I

have alluded to earlier, thereby ensuring prosperity for all Canadians and for all citizens of the world.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, on the important issue of government initiatives in research and testing facilities, I would like to give the member an example of what was in place in British Columbia. It involved basic environmental testing facilities which were equipped with scientists in government owned labs. It was their responsibility to test the impact of various operations on the environment.

The Government of British Columbia decided the best course of action, following on the Conservative model, was to sell off those labs or close them and get rid of them. What we have now is a situation in which private contractors who work for the companies in normal situations are the same people who are hired by the government on a private basis to produce environmental impact studies for the government and for the people of that province.

Thus perhaps the most severe conflict that one could imagine is taking place. There is a real distortion of the needs of people because of the government's very short-sighted privatization fixation, if you will, and because of the tremendous conflict of interest that is now in place.

We see the same kind of model at work here with the NRC and with the effects of the government selling off its assets, proposing to privatize those labs, giving them away for a song to private industry which will use them in a very narrow capacity. Also, public confidence is being broken in terms of the testing process. That data not only has to be produced so that people can make informed decisions about the kind of industrial and development activity that takes place. They must also have credibility. The data must come forward with credibility because of the objectivity of the group involved.

In British Columbia we have one of the worst examples of a conflict of interest and a lack of credibility in the data if it is produced that one can imagine. We are developing the same thing here through Conservative initiatives at the NRC. Would the member like to comment on that?

Mr. Pagtakhan: Mr. Speaker, I certainly concur with my hon. colleague as to the importance of proceeding with research that would assure that the environment is protected. As we protect the environment today, we are protecting the future of our children.

What I detect from the hon. member's question is the need for academic freedom for researchers to be able to pursue their research without fear of the politicians, without fear of the uncertainty that funding will not be there next year.

I also detect in the hon. member's question the need for the independence of the National Research Council, for it to be able to propose bold initiatives in the area of the environment without being deflected by the government of the day in terms of its political agenda.

I think it is most crucial that if basic research is to continue we have to encourage our universities, our scientists and science teachers to go on with their duties, obligations and mission unfettered, unhindered and unafraid of the uncertainty of political actions.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, in participating in this debate on the question of the National Research Council and basic research at the National Research Council, it is important to try to put the debate into some kind of perspective to allow Canadians to determine the significance of the prospect of cutting basic research at the NRC. I propose to do so in the following manner, Mr. Speaker.

It is no secret that in today's world, human resources, research and development, and knowledge generally speaking have become critical factors in international competition. It is also no secret that Canada's economic prosperity is still largely based on the exploitation of natural resources.

Several weeks ago representatives from the Canadian Advanced Technology Association appeared before the Standing Committee on Industry, Science and Technology and reminded us once again that Canada depends largely on natural resources for our economic prosperity. They showed us figures pertaining to Canada's balance of trade in manufactured products. We have a large surplus—I think it amounts to $17 billion or $18 billion—in exports of resource related products. However we have large deficits in technological products, in low technology products, in medium technology products and in high technology products.

The reasons for this situation are profound and deep-seated. I would like to run through a number of them.

First, it is well known that Canada invests only half as much as our major competitors in research and development.

Second, we have fewer than one-half the number of scientists and engineers in our workforce than the average of the industrialized countries.

Third, we have a low prevalence of industrial research and development. Indeed, only about 2 per cent to 3 per cent of firms which depend on technology for their futures actually do any R and D. The officers and senior management of many Canadian companies have no scientific background and lack familiarity with what science and technology can do for their companies.

Fourth, science education in Canadian schools is poor and Canadian students do poorly in international competitions.

Finally, rather than providing adequate vocational training for Canadian workers, we have a history of importing skilled workers.

In order to remedy this situation we require a strategy that is far-reaching and comprehensive. There have been suggestions over the past five or six years that what is required is a cultural change. We have to make the transition from a resource based culture to an R and D culture, a culture which values education and learning.

Obviously a cultural transition is something which cannot be accomplished overnight, but the depth of the transition that is required should not be an excuse for inaction. What is required is a quantum leap in the attitudes and actions of Canadians. It is not sufficient to tinker around with programs and departments. Certainly at the very least we should not be interfering with that which is working well.

• (1310)

This brings me to the NRC. Government labs such as the NRC have been a sector in which for many decades Canadian investment in R and D has compared favourably with that of other countries. I want to stress "compared favourably". Government performance of R and D in Canada is about equal to that which is done in other countries. It is not excessive.

If it is proportionately higher to industry than it is in other countries, it is not because government is doing too much but because Canadian industry is doing too little. We do not get industry to do more by cutting government R and D, by cutting one of the few areas where we hold our own by international standards.

[*Translation*]

Mr. Speaker, since the Conservative government first came to power, government laboratories have been threatened by hasty and circumstantial analyses, budget cuts, uncertainty and red tape. The government now wants to reduce the National Research Council's involvement in basic research.

Mr. Speaker, this shows how deeply ignorant it is of the importance of basic research and of the National Research Council's mandate.

First of all, we know that basic research often leads to unexpected results and, to illustrate this, I would like to quote Professor John Polanyi, Canadian Nobel Prize winner:

> Since technology needs science, there is a temptation to ask scientists to justify their projects by taking into account the value of resulting technology. By always looking for short-term benefits, we are dismissing scientific efforts— whose purpose is to answer fundamental questions and then to suggest totally new applications.

Mr. Speaker, when we stop doing basic research, we deny ourselves these new unexpected applications Professor Polanyi was referring to. And the situation is even more dramatic today because the time between a new discovery and its commercial applications is getting shorter.

Basic research is therefore essential if we want to keep up with the latest technological developments.

Mr. Speaker, the mandate of the National Research Council has always been to foster industrial research. This has always been an integral part of its programs. A good example would be the Industrial Research Assistance Program, IRAP for short. It happens to be one of the most important programs of the National Research Council and accounts for a major slice of the NRC budget.

A 1983 study revealed that a government investment of only $150 million produced an economic fallout in

excess of $2 billion. In other words the companies that took part in this program reported sales of about $2 billion on an investment of only $150 million.

I might add that a Conservative government survey revealed that IRAP is the most popular government program in the private sector. Why would this program be so popular, Mr. Speaker? Why such a huge economic fallout? It is because this program is closely linked to the NRC's laboratories, because we could count on the scientists to evaluate a project and determine whether it was feasible or not.

Mr. Speaker, I will conclude my comments today by saying that. I hope I have been able to show you how critical it is to maintain basic research and, indeed, the absolutely fundamental need to pursue our basic research efforts so that we can benefit from significant industrial activity.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, to begin with, I would like to assure my honorable colleague who has a great concern for everything regarding science and technology that this government fully recognizes the importance of basic research. It is recognized, however, whether it is performed at the National Research Council or in universities and it is recognized as a national insurance designed to help us deal with social needs and also national needs to ensure national competitiveness.

I would like to give the honorable member some figures, for the sake of comparison, on what other countries spend on basic research. In Canada, 14 per cent of the science and technology budgets go to basic research. In France, it is 15 per cent; in Germany, 12 per cent; in Japan, 7 per cent and, in the United States, 4 per cent.

Mr. Speaker, I think, therefore, that the Government of Canada is doing its share to promote basic scientific research. But I wish to repeat to the hon. member that it is not because in 1985 National Research Council officials were asked to submit a five-year plan, as is the case now, that they will run out of funds this year and they will have to submit another one for the next five years—it does not mean because the five-year plan is being submitted, that basic scientific research will stop. This is a government which looks to the future and knows where it is going and which has its priorities well in hand.

For the information of my hon. friend, I must emphasize that the funding to the IRAP Program was not cut. In fact, the budget states that NRC's grants and contributions will not change from the previous level. It is therefore possible that some components of the IRAP Program might be governed by new policies and practices which will make assistance to businesses dependent upon conditions more consistent with those of the commercial sector.

Furthermore, I wish to advise him that the President of Treasury Board will soon develop guidelines for the implementation of this policy and will make the announcement. Just the same, the decision will not affect the applications received before February 19 which are already in the system.

The government recognizes that the IRAP is the most successful program when it comes to helping the industry and it is committed to it.

Again I will tell my hon. friend that basic scientific research is very important to the Government of Canada.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, the hon. parliamentary secretary in a way strengthened my argument. She compared the level of basic research done in Canada, in our universities and in the NRC, to that in France, Japan and the United States, but apparently she forgot that the bottom line is that Canada is only doing half what those other countries are doing. We are falling far behind them in research and development and our weaknesses are unbelievable.

• (1320)

Therefore, instead of reciting all the items in her strategy and quoting all kinds of statistics, I would simply like her to reply to a very simple question.

Her Leader, the Prime Minister, stated before he was first elected that he would increase twofold the Canadian research and development effort during his first term. As we know, the opposite happened. Canadian research and development expenditures have plummeted since the government was elected. Therefore, what specific action does this government intend to take

to increase Canadian research to the level of other countries?

[*English*]

The Acting Speaker (Mr. Paproski): I regret that I cannot allow that question right now.

When we get into 10-minute speeches and 5 minutes for questions and comments, and when there are long comments lasting two, three or four minutes, I cannot get in any more than one questioner and one rebuttal.

The Chair recognizes the hon. member for Calgary Southwest on debate.

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, it is a pleasure to rise today. I notice that the motion put forward by the hon. member for Ottawa South condemns the government for failure to support the National Research Council, which simply is not true.

I want to make it perfectly clear that no new cuts have been imposed upon the NRC. What the opposition is talking about relates to adjustments due to the creation of the Canadian Space Agency. In fact, the NRC budget without space program funds was $400 million in the last Main Estimates. It is $402 million in the upcoming fiscal year. There are no new cuts imposed upon the NRC.

The projected personnel reductions are as a result of previously announced restraint measures, something which the NRC has known about for several years. In fact, if I recall correctly, it was 1986 when that was announced.

The NRC has tabled some new and exciting programs and initiatives that it is going to undertake in its long range, five-year plan. All research programs change and evolve with time. Some research programs reach maturity; others develop in directions that are actually outside the mandate of the NRC; and others may shrink to a sort of sub-critical size or be phased out as resources at the NRC are reallocated and new initiatives are developed. It is very important that we constantly be aware of the new initiatives.

The NRC is committed to basic research. I notice that the parliamentary secretary gave some interesting statistics. I just want to repeat that out of the total amount of funding that this government puts into R and D, 14 per cent of it goes to basic research. As the parliamentary secretary just said, France is the only other industrialized country that is ahead of that, and only by 1 per cent. I would say that some of us here might recognize that France has a socialist type of government, so 14 per cent is nothing to be ashamed of. Look at Germany with 12 per cent, Japan with 7 per cent, and the U.S. with 4 per cent. This government is committed to supporting basic research.

Canada today, like other industrialized nations, is facing scientific and technical changes. The NRC remains as committed today as it always has been to excellence. It is committed to remaining an organization where world-class research is performed by world-class scientists and engineers in world-class facilities. This means choosing carefully the areas where we intend to be excellent so as not to spread ourselves too thinly with the resources that we have available. I believe that even with new resources we would be obligated to review every activity that takes place with a critical eye to guarantee scientific merits and to ascertain the relevance of Canada's needs in terms of what is needed out there today. Whether the NRC is the best place to do basic research or whether it is best done in the universities, everybody has to be reviewing constantly what is in the best needs of Canada.

Excellence is essential for all our programs, but excellence alone is not enough. Our research must also be relevant and mesh well with other NRC activities. One of the best ways for NRC to choose priorities and increase the impact of limited resources is through increased collaboration and increased communication with its clients, with government officials in the departments such as our new Department of Industry, Science and Technology. Let us just state here that this department has received world acclaim and we have a minister for science.

This government recognizes that if we are to be competitive in this global trading world this country must improve its science and technology, which is just the way we are going.

The federal government has played a leadership role in developing Canada's competitiveness by investing heavily in the S and T area. The support the federal government gives to research and development is significant and compares favourably to public sector non-defence spending of its major international competitors.

In 1989 over $5 billion was spent by the federal government. Since 1984 more than $2.5 billion in new moneys has been spent on federal science and technology, and the $5 billion figure is for direct funding only.

In addition, the federal government indirectly funds university research and development through Established Programs Financing transfers and industry, research and development through a system of research and development tax incentives.

The achievements and initiatives resulting from federal support of basic research are truly significant. There are many examples such as the funding to the tune of $7 million for the Canadian Institute for Advanced Research with its unique capacities to form networks of co-operation in such fields as robotics and biotechnology. There has been the selection of 14 networks in the $240 million networks of Centres of Excellence Program which links industrial, university and government scientific research in engineering, natural and medical sciences, manufacturing, business, resource and high technology sectors all across the country. Each network involves from 5 to 25 institutions and companies.

It is interesting to note here, Mr. Speaker, because I know you will be very much aware of this, that out of the 14 centres the University of Calgary was affiliated with 7 of them. I believe your university, the University of Alberta situated in Edmonton, was affiliated with 8 of the 14 centres.

There is also the Canada Scholarships Program which has a budget of $80 million. It awards 2,500 scholarships annually to recognize and encourage more of our top students to pursue undergraduate studies in natural sciences and engineering. Academic excellence is the basis for selection with a minimum of one-half of the scholarships being presented to outstanding women.

I have just completed 10 letters to people in my constituency who won these scholarships this year. I think that shows right across Canada how much we appreciate and how much we are trying to inspire young people to get into the roles of engineering and science. It certainly is the future of this country.

• (1330)

I do recognize that there is always a need for more funding. However, I also recognize the new five-year plan coming from NRC, where it is studying each particular area, and looking at new areas. If Canada is to keep up, we must not become stagnant but we must always be aggressive enough to see what is out there and what we must grasp hold of.

Basic and applied research is important. As chairman of the Standing Committee of Industry, Science and Technology, we had about about 15-17 witnesses before us. They all stated that it is not the money—money is very important—but it is rather how the money is managed. We must learn how we are best able to interest and stimulate our industries here in Canada to take on research and development themselves and how to stimulate youngsters to study science and engineering. It goes right to the elementary and secondary level of school education. It is a major problem. I know that level of education falls under the jurisdiction of the provinces. Perhaps it is time to have a debate on whether the federal government should suggest some sort of a standard of education, but we will leave that for another day. There is no doubt that I support stimulating all young people to get involved in science and technology.

In conclusion, this government gives total support to S and T, to R and D and we look forward to Dr. Perron's five-year plan from the NRC and we look forward to supporting the NRC as best as possible.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Thank you, Mr. Speaker, for this opportunity to answer the conservative member for Calgary-South-west.

[*English*]

I heard her huffing and puffing about all the good things that the government has been doing. Before asking her the question, I would like to make a comment about the National Research Council, which is located in my riding of Carleton—Gloucester and where most of the employees reside.

The cut-backs to the National Research Council in November, 1984, when the present government came into power, cut the NRC budget by $60 million. They cut the Energy Division, the Environment Secretariat, the Manufacturing Technology Institute, The Institute for Electro-Chemistry, and the Cold Regions Research Institute amounting to 80 lay-offs.

In October, 1986 there was a $29 million cut to the NRC budget. Among the cuts were the photochemistry and kinetics section where Nobel Prize winner John Polyani began his research. The government also cut the electromagnetic and mechanical engineering programs, environmental toxicology programs, and aeronautics, construction and physics programs and 200 more jobs were eliminated.

In February of this year the new president, Pierre Perron, in a confidential memo wrote:

> NRC intends to limit its involvement in basic research—to that required to maintain a minimal scientific insurance policy—
>
> The next five-year plan for NRC will propose a clear policy statement and a strategy on privatization and divestiture.

Third, he planned reductions in permanent employees at the NRC. There have been more cuts since 1984. The $500 million budget was cut to $400 million in 1990. This is a 20 per cent cut in 1984 dollars.

I would ask the member the following question. How will these budgetary cuts and the new NRC President's objectives enhance the role and the place of the NRC in a world-class research community?

Mrs. Sparrow: Mr. Speaker, I thank the hon. member for Carleton—Gloucester for his remarks and questions. First, I believe that the statement that the NRC was limiting its basic research came from some external advisers. The hon. member knows perfectly well that in any sound business, and indeed any government agency, work does not continue on and on without reviewing, exploring, and having an in-depth study of the programs and mandate. Perhaps these were external researchers who were getting this type of information.

I can assure you that Dr. Perron, the president of the NRC, states that the commitment of the NRC is to basic research in priority areas. They are not going to change that mandate. Their priority areas include legally mandated areas such as astronomy, standards in measurements research, as well as the basic research needed to maintain skills in generic research programs. This has been NRC's fundamental role in basic research for some time as it focuses upon long term applied research with broad applications to industry and government programs.

Universities play an important role in basic research and the government is supporting this activity through the granting councils and the Centres of Excellence program. We have the Medical Granting Council as well as NSRC. There are three major ones. They do tremendous work. You do not put all your funding into one area. Regardless, basic research at the NRC will not only be maintained but it will be strengthened, as I said earlier in my speech, by collaboration with other performers in universities and research organizations.

The NRC, in fact, as a collaborator in 10 of the 14 chosen networks surely shows its importance and why those new centres will come forth and bring benefits to this country, not just tomorrow, but long term benefits.

The hon. member did question me on privatization and divestiture. I thought that I heard the parliamentary secretary state that our National Research Council will not be privatized. The NRC internal working memo refers to privatization and divestiture and it clearly states the NRC is going to encourage private consortia to assist in its operations and its facilities, but it will not be privatizing.

It is time that we became involved in partnerships. We cannot remain stagnant. It is very important to realize that just because money has been spent in one area for the past five or ten years, there are certainly no criteria or guidelines to suggest that the money should continue to be spent in that way.

Dr. Perron and the NRC's five-year program will show us the direction of Canada and why we have to become more competitive, and why research and development is so important, not just for the federal and provincial governments, but for universities and private industries.

It was interesting yesterday at the standing committee meeting. Dr. May from NSERC appeared before us and explained the good things that NSERC is doing and how their budget has been maintained, and indeed increased. This is an excellent way for our government to ensure that engineering science research is carried on at the universities.

We also had before us the Canadian Association of University Teachers. They are very worried about the falling enrolment at universities, and also the quality and level of education of students coming into universities. That gets back to my concluding statement that although elementary and secondary education falls within the

jurisdiction of the provinces, somehow—and I do not have the magic answer—we have to stimulate young people to be interested, to be inquisitive and to want to grasp the sciences and to go into engineering and to our science portfolios.

I appreciate the hon. member's questions. I can assure him that we are not privatizing the NRC, and that we are not limiting our basic research. It is very important and it will continue to be important.

• (1340)

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, when I was 18 and just leaving high school, the very first job I applied for was at the National Research Council. I had no idea then that I would be standing here all these years later fighting a battle to preserve that institution. One of the proudest moments of my life was when I was accepted for a job in hot and cold state physics at the National Research Council.

I had grown up with the view of this institution epitomizing Canada's excellence in fields of research that were not happening anywhere else in the world, epitomizing our progress and adventurous spirit and our high stature, despite the fact that we were such a small country.

Things changed that summer, and I ended up going back to university and eventually making other decisions about the course of my life. Otherwise, I might have been sitting in the gallery today wondering what my fate was going to be instead of standing here defending those people who have made this country great and created our reputation internationally and continue to do so, despite the hammering that they have received at the hands of this government.

I want to talk about the people. The new frontiers of human endeavour are no longer the frontiers of geography, distance and climate. They are the frontiers of the human mind. We only conquer those frontiers and go beyond them with people of courage, commitment and dedication who are prepared to work for years and sometimes for decades with no specific results, except the pursuit of a new idea that eventually will lead somewhere. I will come back to that theme. I want to talk a little more about how the people who have done this for the country are being treated.

Aside from the cut-backs, aside from the people who are leaving—and they are now in the hundreds—the people who have been forced, coerced or cajoled into leaving are lost to us as a nation, not just to the National Research Council. As a nation these people are lost to us. The whole atmosphere has been demoralizing.

Mr. Perron writes one thing, and then he sends an internal memo to employees which states something else. On the one hand, he reaffirms to the employees the commitment to excellence and basic research. On the other hand, in another document he states: "We will be trimming our basic research to the bare minimum necessary for a minimal insurance policy", whatever the heck that means.

He talks about planned partnerships and working with others in his memo to the employees, and then in another memo talks about planned partnerships as the driving force behind the National Research Council. Planned partnerships are not a driving force, they are not an objective or a mission for an organization. They are tools to accomplish certain things. But to say something like that is to be the driving force is absolutely ridiculous.

It is no wonder people are demoralized, wondering where their life's work is going and wondering where there careers are going. They are being treated inhumanely as employees. There is an unofficial attrition program at the National Research Council that is far more vicious than many of the formal ones taking place in the public service. People are unprotected. They are obviously being hushed up when they retire early. We have statements and numerous clippings over the last three years which indicate that people are not free to comment. Why are we buying off people? People who have dedicated their lives to this country deserve decent treatment when they leave.

The most important thing is that scientists are being prevented from speaking out about what they and they alone know. What is wrong with free and open examination in the media of the implications of the actions of the government in cutting millions of dollars from the budget of the prime institution of basic research in this country?

There was a memorandum sent to the employees of the National Research Council which stated:

> In the current climate, it is preferable to limit the number of people speaking on behalf of NRC.

Contrary to the policy that scientists are free to speak out on their areas of expertise, the memo states: "If a reporter calls you, please do not answer", instead call the head of the communications section. That is stifling and gagging people. The very people who should be front and centre in the debate about the future of the National Research Council, because it is fundamental to the future of science in this country, are being told they cannot speak out.

Good research is done by teams of people. These teams take time to assemble. They can be broken up quickly, but they cannot be rebuilt quickly. The actions that are taking place at NRC, not only are removing good people at NRC from the fields in which they are expert, but are discouraging young people from coming into the National Research Council and discouraging young people from careers in science.

What we do at the National Research Council affects far more than the people who are there and the programs that are there. It creates a whole atmosphere. It exacerbates the problem of lack of understanding and lack of support for basic science. We who are leaders in this country have an obligation to give our scientists the freedom to say to the public that science is important, not only for what happens this year and next year but for what happens for the next century in this country and in the world.

We see a total lack of direction. How could the government, in 1986, abolish the Environmental Institute, cut out energy programs, cut out environmental technology and then decide, in 1990, that that is this year's priority. What is likely to happen is that we are going to see the chemistry division turned into an environmental division. What a stupid waste of money. What a stupid waste of people's lives, careers and expertise. How can anybody justify that kind of nonsense?

I want to finish with a few quotes from Canada's most recent Nobel Prize winner. Is it not ironic that in 1986, within the very week that Dr. Polanyi was being named Canada's latest Nobel Prize winner in science, the very lab where he had started his work was being destroyed at NRC. He was not alone. The Basinskis internationally acclaimed for 30 years for their leading expertise in research which led to developments of tremendous amounts of technology over the years, were having their lab closed down and their lives' work ended.

At that time, Dr. Polanyi was appealing for the National Research Council and for basic research and when talking about his own work stated:

> Had they asked whether the research was likely to produce applications and whether those applications would accord with the socioeconomic priorities of the day, they would surely have despaired of our work after a few years.

He talks about how the work which led to his Nobel Prize in 1986 started in 1957, not with the technology, not with an object in mind, but simply because people were seeking basic knowledge that they knew would lead to benefits for humanity as a whole. When asked by a young science student where he should plan his career, Dr.Polanyi stated that his advice to a talented and ambitious Canadian scientist would be that he go abroad. Dr.Polanyi stated that he did not relish giving him that response, but that at this juncture in our scientific history, which was in the middle of the first round of cuts to NRC, it was the only answer he could give. He also stated that it is not by chance that we talk about research and development. We do not talk about development and research. The research comes first.

• (1350)

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to thank the hon. member for her intervention and her commitment to research and development.

I was interested to hear her comments about the opinions of the Nobel Prize winner, Dr. Polanyi. I wonder if the hon. member could advise the House whether or not she and her colleagues have pursued this question with Liberal leadership candidates to see what their views are on such an important question.

Mrs. Catterall: Mr. Speaker, I think that is an inappropriate question for the floor of the House. The member knows well where the Liberal party stands on these issues, where I personally stand on these issues and where my colleague, the critic for science and technology stands. All she has to do is to listen day after day in this House to know where the Liberal party stands.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I just want to say that I suspect that the hon. member is aware that the Speaker will rule what is an inappropriate

question in this House. I did not see the Speaker rule against that. I wish she would answer the question.

The Acting Speaker (Mr. Paproski): The Chair does not wish to get into debate. The hon. parliamentary secretary.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): I listened carefully to the hon. member and I know that since she was elected she made a lot of recommendations concerning NRC scientists. I would therefore like to give her the assurance that no new person-year reductions have been forced upon the National Research Council by this government. In fact, the National Research Council is now negotiating an agreement with Treasury Board for increased security and flexibility in the management of its human resources. That memorandum relates to the planned previously announced cuts in the NRC'S permanent staff. Those cuts are part of a well-known effort to restructure and re-organize the National Research Council. The down sizing in full-time jobs at NRC was outlined in public papers, including the Estimates. In fact, the NRC will do its utmost to relocate the employees affected by the cuts, either at NRC or elsewhere in the scientific community in Canada.

In the open letter from the President of the NRC, he points out on page 5, and I quote—it is the President talking:"—that the NRC commits itself to maintaining the duties of the groups concerned and that it will do its best to make sure that they be transferred to a more appropriate activity. We will take into account the needs and aspirations of the people affected. Their application for suitable jobs at NRC for which they will be qualified will have priority.

Therefore, I can assure my colleague that, as far as the scientists are concerned, if ever a field of research had to be transferred to universities for instance, the whole thing will be done in a most civilized manner.

[*English*]

Mrs. Catterall: The hon. member has left me time to say little else in reply except that is absolute nonsense. Since I am not going to have time to give her the information she needs, I suggest she dig it out herself. I suggest she find out how many people have been forced into early retirement and what mechanisms are being used to force them into early retirement, and how they are being bribed not to talk about why they left.

In fact, from 1984 through 1986, NRC lost 221 person-years. That is brains. Yet management is being increased this year by 12. That is management, not scientists, not the people who do the work, not the people who go around the world creating Canada's international reputation. This year they are cutting another 125, 30 researchers and 110 technical support staff. That is the best information I have at this point in time.

I suggest the member not speak in the House until she has done her own research and found out what is happening. We are losing brains. We are losing them to the United States and to Europe. We are losing them to retirement. That is a crying shame and a waste of the most important resource this country has.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Kingston and the Islands for ten minutes, plus five minutes questions and comment.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the excellent contribution to the debate by my colleague, the hon. member for Ottawa West, may have rendered redundant some of the comments I was going to make. Earlier this morning, the member for Ottawa Centre made an excellent presentation as well.

However, I want to make a few other comments and I have a few quotations and some figures that might assist my friends opposite in their attempts to make up for five years of neglect and cuts that have damaged one of Canada's foremost scientific institutions.

The National Research Council is clearly one of the most distinguished scientific organizations in this country. Since its founding in 1916, it has been a leader in the scientific field here and abroad. Indeed, out of the National Research Council, as hon. members know, the Atomic Energy of Canada Limited body grew as a result of the research carried on. In addition, the Defence Research Board was a product of that particular council. It has been the foundation stone for contributions to scientific research at Canada's universities, certainly since World War II, and in the period before through its

program of scholarships for promising young Canadian students.

What we have here is an attempt by this government to dismantle, in effect, the National Research Council. The work has been going on in an insidious and carefully manoeuvred way to make it appear that, in fact, nothing is changing. I suggest that it is changing, and all for the worst.

I want to turn to the Prime Minister's comments on this. He has made statements about the government's promises and his hopes for scientific research in Canada. I quote from a statement he made at the University of Waterloo, March 4, 1987: "We are determined that excellence and relevance are the guiding principles for managing our government laboratories. For some years, I have been speaking and writing about the urgent and pressing necessity of increasing our national commitment to R and D, not only in the amounts we spend, but in the way we spend, such as using procurement of our government labs and for greater national support for university research. We cannot be satisfied with what we have accomplished".

Those are his words. They are certainly true. He might have said that most Canadians are grossly dissatisfied with what this government has accomplished.

In support of that, let us take a look at the figures. In the 1984–1985 financial year, the last year the Liberals were in office and it is the year that my Conservative friends hark back to every time as the worst year imaginable. The National Research Council, according to the National Council of Canada, spent $480 million. In this year's Estimates, the 1990–1991 Estimates, the total allowed to the National Research Council is $433 million. That is not only a matter of reduction in the increase in rate, that is an absolute cut in the money available to the National Research Council over a five-year period, five years of cuts by this government in what can only be regarded as one of the jewels in Canada's scientific crown.

Let us look at some of the other things that have gone on in the council. In the good old days, a group of people were appointed to head the National Research Council, and it was made up of a relatively independent group of distinguished men and women, at least half of whom were generally academics, scientists and persons with scientific knowledge of considerable distinction and repute in Canada. Under this government there has been a shift in the kinds of appointments made to the council. Sixty per cent of the current members are composed of businessmen. It reflects the government's obsession with the bottom line and its unwillingness to consider the importance of scientific research in and of itself and for its own value. I submit that the presence of this particular group on the council is influencing the tenor of scientific research in Canada. It is changing from being pure science to applied research, research which is of interest to a certain group but of no interest to other groups.

• (1400)

In support of that let us look at the recent letter from the president of the National Research Council, Dr. Perron. He said in this letter to the employees dated February 15 of this year:

> However, I believe that, even with new resources, we would have an unavoidable obligation to review our activities with a critical eye to scientific merit, relevance to Canada's needs, and to whether NRC is the best place for these activities.

Let us look at those three things. First, a critical eye to scientific merit. Who is putting the critical eye on it? This new board of businessmen. Second, relevance to Canada's needs. From whose perspective? The businessman's perspective, not the scientist's. Third, whether NRC is the best place for these activities. Well, Mr. Speaker, if you had your own lab operating in your own plant and you could get government funding for the lab, would you not rather have the research done there? That is exactly the kind of question that is being faced by the council of the NRC. They have stacked the deck, I suggest, in a way that is unfair to the scientific community of this country.

My colleagues have mentioned the results of what has been going on because of these changes, and I suggest that it is not surprising, given the attitude of the National Research Council as exemplified in this letter. The president's letter continued:

> Excellence is essential for all our programs, but excellence is not enough. Our research must also be relevant and mesh well with other NRC activities.

Having made those statements, the embarrassment of having them challenged by other members of the National Research Council, employees, and scientists who are working there was too much. So, an additional memo came out which tells the members of the National Research Council to keep quiet. They were not supposed to talk about it. On February 22, there was a memo to all

directors general from Pat Mortimer, Director of the Corporate Secretariat. It read, in part:

> —recent media reports have outlined changes that are planned or underway at NRC, and Dr. Perron has sent a letter to employees explaining the context of these decisions, and clarifying the direction NRC is taking.
>
> In the current climate it is preferable to limit the number of people speaking on behalf of NRC. Should there be any further media inquiries on these or related policy issues, the primary spokesperson for NRC will be Dr. Perron or, in his absence, Dr. Ross Pottie.

That is what they said. That is a kind of gag order and I suggest it is inappropriate. What we have here is an attempt to reorganize the National Research Council.

To help my friends, I have a quotation from the time of Nero, A.D. 65, Gauis Petronius Arbiter, Pro-Consul at Bithynia in the Roman Empire. Here is what he said. It is directly relevant to what is going on with the government and its meddling with the NRC today:

> We trained hard but it seemed that every time we were beginning to form teams we would be reorganized. I was to learn later in life that we tend to meet every situation in life by reorganizing, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralization.

We have heard all about the demoralization that is going on at the NRC as a result of the policies being pursued here today.

There is one other scientist I would like to quote, a distinguished physicist at Queen's University, Dr. Alec Stewart. In his speech in November, 1986 to the Bedford Institute of Oceanography he said these words, and I suggest they are relevant to consider in light of the lack of promising future for our young students at the National Research Council and in the scientific community in Canada in general as a result of the cuts that have been going on here. He said:

> Any healthy society, especially in lean and straitened times, must look to the future. The injury done in closing laboratories is real but small compared with the more intangible injury and damage done to young people's expectations and to future opportunities for them in Canada. Our perceptive children may see how little we care about the future—their world—and they may reasonably seek the stimulus needed for their growth outside our country.
>
> Fiscal responsibility is necessary and so is an attitude that values human energy, knowledge and intellectual achievement. Both are essential for a future for Canada.

Those are the words that he used, and I submit that those words are extremely relevant for us today.

I urge the government to review its short-sighted policy, review the cuts that it has made to the National Research Council and which we hear denied with statements of the great amounts of spending, and reinstitute the good days when the National Research Council was properly funded and properly run.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to compliment my colleague, the member for Kingston and the Islands, as well as some of the other speakers from Ottawa who have spoken out so eloquently in support of the continued and improved levels of funding for the NRC.

I come from a region of the country with its own high academic tradition, and has also benefited through the work done at the NRC by sending students here and also by having some of our graduates become distinguished scholars at the NRC. I can attest as well to the importance of this institution and the scientific work which it promotes and which it carries out.

I would like to ask my colleague to speak some more about the work that is being done at the NRC and the relationship with his university, Queens, which is another institute of higher learning that is doing a great deal of scientific research.

Mr. Milliken: Mr. Speaker, clearly the National Research Council, in its long and distinguished history, has been the basis on which university funding of research has started. In fact, it has been suggested to me by some of the scientists with whom I have discussed this matter over the last few weeks that without the National Research Council there would be virtually no university research going on in the country today. It was the NRC that started universities on the road to extensive research which turned our universities into the very capable world leaders that they are in terms of research, both here and abroad.

That recognition has been achieved largely as a result of the National Research Council's work in funding research programs in universities at the end of the war. That funding was possible because of the attitude of the governments then which was very conducive to growth of research and scientific work in Canada. Also, the NRC

had developed a pool of expertise in the course of the war, attracting scientists of considerable repute and calibre to Canada, to move here and to work in this country. Indeed, it continued to do that throughout the years until now. Now we find a government that seems to be bent on destroying this institution, depriving it of the opportunity to attract talented and capable scientists.

The cuts are going on there and the people are no longer coming. The difficulty that I keep hearing about from the scientific community—I have been in touch with them for some time and they are very, very concerned about this—is that once you start breaking up an institution like that and people start leaving, it is a very difficult trend to reverse. That is the message I keep getting.

In answer to my friend from Cape Breton Highlands—Canso, I am afraid that we are going to lose these people from the National Research Council. Once they start going, they are going to keep going. The numbers are dropping off because of the cuts and the demoralization. The institution is in a very precarious state at this time, thanks to the efforts of the government.

The Acting Speaker (Mr. Paproski): There is only one minute left for a short question or comment. That is about all I can allow the hon. member for Willowdale.

Mr. Jim Peterson (Willowdale): Mr. Speaker, members of the industry, science and technology committee had the opportunity to visit the NRC a short while ago. We met some of the top people there. Their ranks were much thinner than they had been previously because of the major cuts at the top and throughout the NRC. When we asked these people specific questions about the state of research and development in Canada, they were afraid to answer straightforward questions. In my own mind, I was criticizing these people. I want to apologize to them.

• (1410)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I rise as a Minister of State for Industry, Science, and Technology to speak to this opposition motion today.

I have had the chance to listen to a great many of the speeches by hon. members opposite, as well quite factual and helpful speeches by hon. members on this side. I want to make a preliminary comment and then develop further the government's position on not just the National Research Council, but on science and technology funding generally.

I listened carefully this morning until noon and then came back later to listen to more of this debate. Not once did I hear anything from the opposition anything about links to the private sector. Its whole discussion of science and technology reminded me a bit of a defence of a cultural institution. Science and technology, according to the opposition, should go on in universities and government laboratories. Not a word do we hear about feeding and strengthening those institutions through links with the private sector and with the industrial reality of this country. It is a fundamental flaw in everything I have heard from hon. members opposite today. They do not feed the institutions that we have for research and government and university with linkages to the private sector. They do not talk nor care about that. They almost look upon science and technology as a cultural artefact which exists without any linkages to the real world or to the private sector.

Mr. Milliken: Nonsense.

Mr. Hockin: Hon. members opposite say this is nonsense. It certainly is nonsense but this is what they are saying by neglecting to talk about the links to the private sector. The problem with their approach is they want us to maintain these institutions almost in an incarcerated way, cut off from the lifeblood of what will make them dynamic and strong which is to link them with the real world, industrial research and the private sector.

The government has done a great deal to make sure that happens. Members opposite find this most difficult to agree with, but something we have tried to do is to make them stronger in their linkages with the private sector and the industrial community that is outside of universities and government.

I want to make comments in three different directions. I want to talk about this linkage with the private sector and basic research. I also want to give some examples of how this new approach of linking industrial research that is done in government and universities more with the

private sector is bearing fruit and working. I want to delineate how important that is to the government's philosophy toward a stronger scientific and technological sector in Canada.

Let me correct a factual error first. The hon. member for Ottawa West mentioned the cuts of the NRC at the senior management level. She argued that there was an increase in senior management of 13 people. She was contrasting that with decreases in employment in other levels. I want to help her with this. Since November 1989 there has been a reduction of four in executive management at the vice-presidential level in the NRC. I refer her to Part III of the Estimates on page 63. I will give this to her after I speak today. There has been a reduction in executive and senior management. Therefore, she has either misread the documents or she needed this exegesis of mine of the Estimates. I encourage her to look at page 63 of the Estimates.

The other point is more fundamental. The contribution of the government to science and technology as a proportion of government program spending has gone up under this government over what we inherited. When we came to office, the proportion of federal government spending on programs, as a percentage of federal government spending on programs, was a little over 4 per cent; it is now almost 5 per cent. This is at a time when there are tremendous other pressures, the claimants for government attention are growing, and a time when the government has had to be fiscally responsible. Science and technology has increased in that proportion. That over-all expenditure reality has been overlooked by hon. members opposite and it is very important for me to bring that back into the House so that hon. members will remember what we have done in terms of proving, with dollars and cents, how important science and technology spending is to the government.

Let me just move to some systematic comments about what we are doing. First, the problem with what we have heard today from hon. members opposite is that they are putting the NRC on a kind of Olympian pedestal, and they are doing a disservice to the NRC by doing this. What they want to do is put it on a pedestal. We even had a wonderful quotation from the hon. member for Kingston and the Islands. When the hon. member quotes proconsuls from some previous century, I listen carefully. He has good quotations and I like to learn from them. In his quotation, a quotation against reorganization, he said we should not reorganize because that can be very difficult for the life and health of any institution. I want to address that. If an organization does not change, if it is not renewed, if it does not improve its context in the society of which it is a part, it will die. Those reorganizations are, of course, what we have encouraged and I am going to outline how we have done that.

We should not place this institution on a pedestal, far above the hurly-burly of day-to-day life; we should not do that. What we will do is involve the NRC far more than ever before in the most important challenges facing the nation. We want the NRC to be right at the vanguard of the challenges facing the nation, not to be incarcerated in some ivory tower. We have, in fact, helped that to happen in dozens of ways.

With our support, for example, the NRC's council is sharpening the NRC into one of the country's principal agencies for economic competitiveness. That is something else we have not heard a word about, economic competitiveness. The department of which I am a part is essentially the department in charge of industrial competitiveness. I did not hear a word about competitiveness. What hon. members opposite want to do is protect these institutions from change. I say, if these institutions are going to have strong morale and a sense of purpose, they must deliver on the country's economic competitiveness, and that is what the government has been doing.

The NRC has a very proud history, but it cannot flourish as a monument to past achievements and that is what we have been hearing. Members want this monument to past achievements not to be touched, not to be renewed, and that is not our philosophy. It must always be a national resource, helping to meet the country's most significant needs.

We heard the hon. member for Ottawa West talk about morale. The problem with her presentation was that she linked morale with a kind of glacial stasis. She argued that any change at all will affect morale. She knows that institution well and I do not believe that any institution believes that. Most institutions believe that their morale is improved if the changes made will give a stronger more pertinent long-term future.

In looking at history and this quotation of a proconsul from a previous century, it said that we should not reorganize. In fact, the NRC has never been static. It has always gone through waves of pertinent reorganization. Before World War II, the NRC cultivated and supported university science, and this has been brought out during the debate, helping to create world-class faculties out of small undergraduate laboratories. This we acknowledge; this was part of its mission; this was an important contribution, part of its style and essence. During the war, the NRC helped to give the country the technological edge so important to victory in World War II. That was a mission which is different now. It is not participating in that mission, but that was a mission that it had during World War II. That was a change from what went before, and what the NRC is doing today is a change from that.

• (1420)

In the 1950s and 1960s, the NRC undertook fundamental research and used this intellectual fervour to attract and retain for Canada some of the world's best scientific and engineering talent, people like Gerhard Herzberg and John Polanyi, both Nobel Laureates. Recently the NRC has taken up the new challenge, a new development in its distinguished history, to help Canadian industry become the best. Its council is working on a five-year plan that, building on the experience of recent years, will turn the NRC into an engine of applied intelligence. The NRC has always managed to change to better serve this country. The NRC will continue to change, just as the nation as a whole will change.

The NRC has changed. It has gone through, probably, four or five important iterations in its history. The hon. member who quotes the proconsul does not want it ever to change. It is important for its health and its relevance that it goes through these changes. That is what will guarantee its success and its relevance to the country as a whole. We need the NRC. Canada cannot exist without a strong National Research Council. The government is determined to make sure that it does not atrophy by doing things from another era. We are determined to lead, as you know, a competitive renaissance in Canada, and we want the NRC to be part of that.

On the platform of abundant resources, Canada must build right now an edifice of applied intelligence and applied skills in order to maintain our standard of living. We must do that and we cannot be laggards in doing that. Only through economic growth fueled by effective competition in the world's markets can the country maintain its social safety-net, its support for the arts, its regional balance and social harmony. If we are going to win competitively, it requires an intelligent and skilled workforce employing the latest technology. The NRC will be an important way of ensuring that Canada's workforce can be the best. We do not want to incarcerate the NRC and make it irrelevant to the competitive agenda, we want to put them at the forefront of that agenda.

Several things are happening at the NRC to fit it out for its new task. Planning is still taking place, but the next five years will see the following: a renewed commitment to excellence backed by more intensive effort in selected critical areas; closer ties to Canadian industry through participation in consortia, joint research, employee exchanges and increased assistance. I did not hear a word from hon. members opposite about that and how important that is to sustain it and give it a lifeblood of creativity from connections outside of its own doors.

Up until now, government laboratories made extensive efforts to transfer their knowledge to industry. Government laboratories have been very helpful with regard to that. In the new NRC, industry will co-develop that knowledge and the transfer will be to foreign markets in the form of competitive products and services.

Finally, the NRC will resume its role as the finishing school, if you like, for the country's most highly trained scientists and engineers. Once again, the country will enjoy the talents of an NRC alumni of scientific excellence. That is our view of where it is headed. That is our view of its relevance.

Although hon. members opposite do not like to speak of the links with the private sector, yes it is true, the new NRC will be industrially-oriented. It will not be an ivory tower. It will not be an incarcerated institution. We are going to make sure that its roots are strongly in the industrial reality of the country. Its Industry Development Program, like the Industrial Research Assistance Program and the Canadian Institute for Scientific and Technical Information, will be sharpened and honed.

Industry will be encouraged to shoulder a larger part of the nation's research, in part by having increased access to the rich talent and the facilities of the NRC. What is wrong with that? Why should we not ask the industry of the country to carry a larger part of this burden? Hon. members opposite too often want to foster dependence on government to an excessive degree. That is not healthy for the country and it certainly is not healthy for the scientific and engineering excellence in this country. If industry is encouraged to shoulder a larger share of the nation's research, in part by having increased access to the rich talent and facilities of the NRC, does this mean that it is any less a laboratory? Are you defiling the laboratory by encouraging it to do this? You are not. You are making the laboratory relevant. Is relevance and usefulness wrong? Of course it is not. Must Canadian technology always be developed by our competitors, instead of our industrial partners? That is our view of the kind of linkages we would like to see for the NRC.

One of the most appalling misunderstandings has been the charge that the new NRC is doing this somehow against its will. I do not believe most members of the NRC are doing this against their will. They do want to have these linkages with the private sector. It is a misunderstanding that somehow this means that they are neglecting basic research.

As a former academic myself, I know what basic research means. I believe that basic research is best conducted not just in an ivory tower. Let me just tell you what is happening about basic research in the NRC. We have had the hon. member for Calgary South speak to this, but we have had some additional information that we think the House should hear.

What do the critics really mean when they talk about this? If they mean that the NRC is neglecting its contribution to humankind store of knowledge, they are wrong. For example, in the Herzberg Institute, the NRC has a world class performer in astronomy. The institute provides Canadian astronomers with first-class facilities, collaboration on frontier research and scientific leadership in important areas.

The NRC is participating, too, in the world-class basic research of 13 of the 16 Centres of Excellence. They are right there and a part of that basic research phenomenon brought by the government, the Centres of Excellence.

Mr. Milliken: Are you moving the Herzberg institute? Answer the question.

Mr. Hockin: The hon. member wants to know whether we are moving an institute from one place to another? That is all he cares about. He cares about those kinds of small political things.

Mr. Milliken: That is not small at all.

Mr. Hockin: What he should care about is basic research and what the NRC is doing about basic research. That is what I am talking about.

The NRC has played a critical role in establishing this Sudbury Neutrino Observatory. Does the hon. member object to that?

Mr. Milliken: No, I think it's great.

Mr. Hockin: Very good. It is a uniquely Canadian contribution to the cutting edge of the understanding of cosmology. Are these the achievements of a national laboratory that is turning its back on basic research? It is not. It is doing basic research. This will continue. I have dozens of examples here I would be glad to give in terms of answering questions or making comments.

Let me just conclude with this. NRC is not just contributing to basic science or linking with the private sector, but it is innovative. The NRC has never lacked for innovative approaches to problems facing Canadians. This is very important to us in this decade. Just last year it was involved in electronic pace and tracking systems, assembly-line programming, measurement devices for food freshness, a coal-water burner, aerial magnetic instrumentation, automated pipe welding, rail grinding to prolong rail life, oil-rig stability measurements, an innovative five-wheel unicycle for the physically-challenged, and a trace vapour detector for airport security.

These examples and more all demonstrate that NRC's research has the potential to become competitive products and competitive services. This new approach of linking with the private sector as much as possible and encouraging basic research has produced these innovative approaches.

This new approach featuring in depth NRC industry and university research on problems of fundamental importance will only increase the value of this institution's efforts. All our competitors have organized their science along similar lines. The opposition would not like

to do this. It would like to somehow isolate and incarcerate the NRC. That is not our view.

Canadians, as I have already pointed out, remember with satisfaction the contribution of the NRC in aid of the war effort. The country is in a commercial battle every bit as intensive in its own way today. It is not a military war, but it is a competitive war. We need the NRC to win that battle, and we need it as a vanguard.

If we are to do this, there will be changes in the NRC. Some established programs will be discontinued or handed over to others in the university and industrial sectors. But it will be worth it. The commitment to deficit reduction does not permit the easy solution of endless expansion. Remember, though, the NRC did not establish its Canadian and international reputation by staying the same. That is not how it got where it is. It has always been one of the pillars of Canadian science and technology by maintaining a commitment to excellence, a commitment to relevance, and a commitment to change with the times.

• (1430)

That is why it is run by an arm's length council and president, and this is why the council largely sets its own rules and determines its own directions. This is also why the government continues to assign NRC new tasks, always important tasks, and why the NRC is strong now and will be even stronger in the future. Let us breathe life into the NRC. Let us make it relevant to our economic future this decade. That is what we are trying to do.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I was amazed when the hon. minister mentioned the fact that there was an increase in terms of federal government investment between 1984 and now. The facts speak for themselves. In 1985 the spending in terms of Gross Domestic Product was $1.4 million. In 1987 it fell to $1.35 million. I cannot see how that can be considered an increase.

In terms of the over-all funding for the National Research Council, in 1984–85 the government spent close to $505 million. In 1990–91 that fell to $402 million.

Can the minister explain his original statement to the House that there was an increase in research and development and an increase to the National Research Council?

He also talked about creating a partnership with the private sector. That is great; that is definitely the way to go. We are not disputing that at all. One has to remember, though, that the federal government has a leadership role to play. The federal government has to create an economic environment for the private sector in order to invest in research and development.

Obviously, when the private sector sees us as the federal government attacking one of our major institutions, the National Research Council, by cutting grants, it is not going to move the way it could move if we play a leadership role with them.

Mr. Hockin: Mr. Speaker, I am very pleased that my hon. friend has asked these questions because it allows me to clarify statistical points that I was making.

First, if we take out the space component the NRC's budget has gone up from $400 million last year to $402 million this coming year according to the Main Estimates. We took the space expenditures out and put them in another part of the Estimates book. That is where the hon. member has been misled and why he is quoting inaccurate statistics. It is probably not his fault. If we remove the space program and put it elsewhere in the Estimates, we find that spending for the NRC has gone up slightly from $400 million to $402 million, not down the way that he expected.

Mr. Milliken: What kind of per cent is that? Tory times are tough times.

Mr. Hockin: That is very important because we are making the NRC more relevant. The NRC is having to share its role in the over-all scientific and technological thrust of this country with respect to other expenditures.

We remember what they are— the $240 million network of Centres of Excellence Program, the $80 million Canada Scholarships Program and the $200 million increase in base funding for the granting councils. We do not hear about this from the hon. members opposite because they are fixated with the NRC.

Mr. Milliken: You will.

Some hon. members: Lower the debt.

Mr. Hockin: They should look at the whole package. This is part of the whole package.

Finally I have to add all this up and tell the hon. member that it is program expenditures on which the government has flexibility. If we want to find the priorities of a government in Canada we cannot look at the interest on the debt because that is a given. The government cannot do much about that except to decrease the deficit every year as best it can, which we have done and the previous government did not do in the 15 years before we took office. What we should do is look at program expenditures. As a proportion of program expenditures the S and T envelope has increased from 4.46 per cent in 1984 to close to 5 per cent under this government. This is financial and symbolic evidence of the importance of S and T to this government as a priority. In very difficult fiscal times there has been an increase. This is a priority, not the opposite.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the minister promised us some examples of the products he was talking about and I did not hear of them. I think it betrays his ignorance of NRC if he thinks it was only in the last year or the last few years that links with the private sector have been an important part of NRC's operations. They always have been.

On the other hand, the shift here is to turn away from promoting science to "serving Canada's industrial competitiveness", and you serve Canada's competitiveness by having new products and new technology and most of all from research.

The president of NRC goes on to say that this industrial partnership, this approach on competitiveness, could be temporary and NRC may very well have to shift back to promoting science. When it shifts back it will not have any scientists to do it with. I am shocked that the minister is not concerned about the number of good and competent people we are losing.

I will give him a few examples of why it is important to keep basic research, because that is what international competitiveness is. Before I do so, I want to remind him that he talks about NRC going abroad and selling our technology. We now have 90 per cent of our technology developed abroad and only 10 per cent developed in Canada. It seems to me that the job we have to do is some work in Canada. We do not do that by cancelling what has led to the science and technology we are now feeding out all over the world. What we learned to do is to enhance that, to make it better, and to improve our ability to develop it here in Canada.

I just want to go back again to the fact that it took 15 years to discover the protein that only grows in tumours and allows us to identify cancer at an early stage. The end result had nothing to do with what people were looking at when they started; they were looking at calcium in tumours. If we cancel that kind of research for five years we are stifling our progressiveness for the next fifty years.

I go back to Dr. Polanyi. The very detectable infrared luminescence that Ken Cashion observed in 1957 led three years later to a suggestion for infrared lasers. A decade later the sort of laser we proposed had become the most powerful source, and yet another decade passed before it began to be evident what the market use might be for such lasers. It was 28 years before the first small observation led to one of the most significant technological developments in the last century. That is what is important. These other things are all products. They are all what you do after you have done the sciences. They are not what you do instead of the sciences. I fail to understand why the minister does not understand that.

Mr. Hockin: Mr. Speaker, I would like to respond to my hon. friend's comments. She gave some very good examples of important contributions NRC scientists have made through basic research to real world success stories, research that was done originally as basic research which lo and behold suddenly became relevant in the real world. That is precisely what we want to do. We do not want to make a total dichotomy between basic science and industrial application. As I made clear in my remarks both must occur.

What I think we have to recognize better than the hon. members opposite have is the link between basic science and real world realities. Let me give some examples of the two happening: the NRC which is a storehouse of basic ideas suddenly becoming adaptable to the real world. For example, the NRC does research on environmental problems. Researchers at the NRC's Biotechnology Research Institute in Montreal are working with Environment Canada on developing new technology to

clean up the banks and the sediment in the St. Lawrence River.

Another example of a combination of basic research with the real world, in 1987 NRC scientists identified the mysterious toxin in P.E.I. mussels which caused two deaths and more than 100 cases of serious illness. In Saskatoon, the NRC worked with the University of Saskatchewan to discover a group of chemicals that promote rapid seed germination.

• (1440)

Nothing is more basic to transportation and the life of this country than safe trucks. The NRC is working to make trucks safer and cut down on the number of accidents. For example, when a fuel truck hit a bus in Ottawa last September, I think in the hon. member's riding, killing the truck driver and causing a huge fireball, police turned to NRC experts for help in determining the cause.

Finally I refer to a great example in that we all have to carry bills around in our pockets. NRC technology has made Canadian money counterfeit-proof. I agree with the hon. member. This is basic research adapted marvellously to the realities of the real world. That is what is going to make us competitive and relevant.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to respond to some of the things which the minister has talked about. The minister focused, not surprisingly, in his comments on the essence of the motion itself and the accomplishments of NRC. Incidentally, by noting some of these accomplishments I think the minister is simply proving the point that this is an extremely valuable institution with a fine record behind it, a record which deserves consistent and continuous guaranteed government support so that it has a sense of confidence and security for the future to be able to continue to do the excellent work to which the minister has referred.

One issue which the minister referred to in the earlier stages of his comments is the relationship between research and development and science and technology, on the one hand, and the whole industrial structure on the other hand. Like the minister I think that a fundamental weakness in our society is that economically we do not have in this country what we see in the suburbs surrounding Boston, in the areas surrounding MIT or in the areas around Stanford in California, that is a massive number of small businesses which have been spun off from the basic research taking place in the universities that have made the connections with industry. By making those connections with industry they have started to make the commitment, as this motion puts it, to promote basic scientific research in Canada as something which is economically significant, economically tight, and economically important.

Mr. Hockin: What about the University of Waterloo?

Mr. Langdon: There are exceptions. The University of Waterloo, as the minister suggests, is one which has done relatively well. There are other exceptions. The University of Saskatchewan in Saskatoon has done quite well with this kind of thing. Even in those cases we are talking about a level of relationship with the industrial structure which is so different from that which exists in the United States and indeed in many countries in western Europe that we are virtually talking night and day.

What are the reasons for this problem? I have got probably 10 or 11 more minutes in which I can speak, and I want to identify three crucial problems which exist in the heart of our economic structure and help to explain the problem. Often there are people on the Conservative benches, and indeed on the Liberal benches, who wonder why it is that this party is so concerned about foreign ownership and about foreign takeovers in particular. There is a distinction between foreign ownership and foreign takeovers. We can have a new industrial enterprise that when established sets up a number of different parts of its operation, some of which contribute to new scientific activities in this country. When we have foreign takeovers of scientifically based companies, high tech companies, in this country, it is much more difficult to see the likelihood of new expansions in research and development.

I looked at some success stories we have had here in Canada of industries which had recognized the importance of making the link with the scientific community, the university community and institutions like NRC.

I think, for instance, of a company like Mitel or Connaught Labs which grew out of the central core of the University of Toronto. I look at both these institutions and I see now that both of them have been taken

over by a foreign owner. As a consequence of foreign ownership, major changes are being undertaken to these high tech companies in Canada which recognized in the past the need for an integral connection between those in industry and those in institutions of scientific research in this country.

Those connections inevitably are destroyed when foreign ownership reduces the staff, through massive rationalization, as in the case of Mitel. It is a polite word for explaining that lots of people are fired and lots of lay-offs take place.

In the case of Connaught Labs we have the key Canadians who turned this enterprise into a successful, high tech enterprise simply eliminated by the French company that has taken it over.

We see the same kind of thing in the case of a company like Federal Pioneer. Federal Pioneer is perhaps the foremost company in this country that develops electrical equipment. For the development of that kind of innovative, electrical equipment, its connections and relationships with the scientific community have been crucial. I am certain those relationships, too, are going to be subject to devastating attack by the foreign takeover which is now to occur with Federal Pioneer. That is one set of issues. I could talk at much greater length about the problems associated with foreign ownership.

The second set of problems are those associated with the free trade arrangement which we have entered into with the United States. I have to talk about two or three examples which have come to my attention in the last year or so, in a particularly compelling and personal way. During the campaign for leadership of the New Democratic Party I worked a good deal of the time in Ontario. One of the places I visited was the massive Massey-Ferguson plant in Brantford, a plant which strikes you now as perhaps the most symbolic example of the potential consequences of free trade in this country. We have had a free trade agreement in agricultural implements with the United States since 1948. When you go into that magnificent plant in Brantford it is as if you see six full football fields completely bare. That bareness or that destruction is a destruction not just of the jobs, not just of the people and their families, but a destruction of the innovation which was associated with that company. In fact the major innovation associated with that company has been transferred to the United States, the axial combine which was being produced by Massey.

• (1450)

The same thing is taking place in a company like Stelco, one of the biggest and most important companies in this country. This is a company which has done much research and development. It is now transferring much of its attention to the United States for expansion.

Finally I have to talk about a third area of serious problems, and that is the fact we do not make use of our natural resources to benefit our country, our industrial structure. We see it, for instance, today in the National Energy Board decision which effectively means that we will not be able to apply to exports of natural gas in the future the national interest test that social cost-benefit analysis permitted us to do.

What happens when these three kinds of developments take place? First, we see that there is no longer a focus for scientific research here and for spin-offs from that scientific research. We see it in the case of Mitel. We see it in the case of Massey. We look as well at the destruction of our high tech firms. Those firms are then not able to make the connections which I agree with the minister are so crucial to the ability to establish successful scientific research in the future.

That is why we do not have a commitment to basic research in this country. That is why scientific research is so weak here. It is not because NRC is being attacked, though I agree that the attacks on NRC are foolish and short-sighted. The reason is that the basic policy being followed by this government and the basic policy followed by the previous government was a policy which failed to tackle the questions of foreign ownership and the questions of development of high tech firms of our own, here in this country. That is what we have to change.

[*Translation*]

Mr. Guy Ricard (Laval): Mr. Speaker, I am pleased to speak on the motion of the hon. member for Ottawa South which blames the government for not supporting the National Research Council and also for not encouraging basic research.

I can tell you, Mr. Speaker, that half of the NRC's budget is for applied research, 25 per cent for basic research and 25 per cent for national facilities, CISTI, and administration.

The member who made the motion said this morning that our priorities were to reduce the deficit instead of maintaining funding for research, science and technology in Canada. It is true that we put a lot of emphasis on deficit reduction, Mr. Speaker, but I must tell you that we have to do so now in 1990 because they did not for some 20 years. It is because they too brought down budgets that did not give what they should have for science and technology.

I have some details on that, Mr. Speaker, to tell you about. They say that people do not realize that under the Liberal government, the NRC's budget was $531 million in 1984 and that the forecast for 1986, had the Liberal government remained in power, fell to $480 million.

In 1986, Mr. Speaker, when the Minister of Finance made his financial plan for the next five years, of which the last year begins this April 1, he forecast a budget of $3.4 billion, which is nearly $700 million a year. This year, Mr. Speaker, the budget for the last year of this five-year plan is $731 million.

So this means that since 1984 we have been increasing our estimates by 38 per cent each year and if we compare the $3.4 billion figure I mentioned earlier to the $2.3 billion in the Liberal Government Estimates, we have increased the national investment in science and technology by 48 per cent.

I have another statistics, Mr. Speaker. It strikes me that the opposition often suggests we are opening the door to foreign investment here in Canada, we are pushing the door wide open. I have here, Mr. Speaker, three foreign-controlled corporations—Pratt and Whitney, IBM Canada and Imperial Oil. Pratt and Whitney, Mr. Speaker, is investing $243 million a year into research and development, IBM Canada $132 million, and Imperial Oil $54 million.

When they suggest foreign capital is coming here to steal our jobs away, when they suggest as I heard this week that we are selling the Canadian soul away to foreign corporations, I believe this is hogwash and I label that disinformation. This is not information but disinformation Mr. Speaker, because those corporations come here and invest, they come here and do research, they come here and employ our workers and researchers in their operations.

What is wrong with that? What is wrong with that, Mr. Speaker? Why do we have to hear that kind of demagogy, that kind of disinformation about foreign investment?

Mr. Speaker, I believe that if opposition parties were a little more co-operative on government initiatives, they would not accuse us of spending millions of dollars to advertise the budget or the sales tax while that money would be spent for science and technology.

[*English*]

The Acting Speaker (Mr. Paproski): Before I call it three o'clock, I wish everyone a very happy St. Patrick's day and a very happy weekend. You must remember:

It's a day for wearin' a shamrock
To honor that glorious saint!
It's a day when folks who are Irish
Feel sorry for those who ain't!
It's a day for thinkin' of Erin,
Colleens and the Lakes of Killarney,
And toastin' friendships both old and new,
And speakin' a wee bit o'blarney!
It's a day when a smile's for the wearin',
And the bands will be blazin' away,
And for wishin' friends "The Top O' The Mornin'"
For sure—'TIS THE IRISHMAN'S DAY!

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being three o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired. This House stands adjourned until Monday next at 1 p.m., pursuant to Standing Order 24(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, March 19, 1990

The House met at 1 p.m.

Prayers

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

OCCUPATIONAL HEALTH AND SAFETY

FUNDING

The House resumed from Monday, February 5, consideration of the motion of Mr. Keyes:

That, in the opinion of this House, the government should consider the advisability of reinstating funding for the Canadian Centre for Occupational Health and Safety.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise today to support the motion put forward by my hon. colleague for Hamilton West which impresses upon this House the need to reinstate funding for the Canadian Centre for Occupational Health and Safety.

We know the centre was established in 1978 under statute which set up a tripartite board of governors to administer this institution. It gave equal representation to employers, employees and government.

There are certain areas of concern in this country in which I believe government must be involved. For instance, I believe that transportation is such an area considering the size and diversity of this country. There is the health and safety of workers as well as employers in the workplace.

Just like transportation, justice or the environment, to name but a few, health and safety in the workplace is an issue which affects millions of Canadians often in ways which are for the most part beyond their direct control.

Governments have an absolutely fundamental responsibility to do everything within their power to ensure that Canadians in the workplace are safe and healthy. That is the basic principle which we are discussing today.

With respect to this responsibility the federal government in 1978 established the Canadian Centre for Occupational Health and Safety. While the government has a responsiblity to make places like the centre possible, it is nonetheless crucial that the source of health and safety information be completely impartial. The relationship between the centre and its funding must remain at arm's length at the very least.

The information which is given out by the centre may very well cause problems for employers, including the government itself. I can appreciate that. But no one can deny that workers deserve all the protection that we can give them. An independent, fully–funded centre is the best way of achieving this impartiality. The bottom line is that the workers must be protected.

As we look at various aspects of safety and health hazards in the workplace, we see that it is governments themselves which in many cases are at the root of many of the problems. Some of the worst abusers of the system, and some of the most skilful at sweeping things under the rug are governments, either municipal, provincial or federal. The fact remains that since governments should not have as their bottom line a profit motive, they are the best source of funds for centres like the Canadian Centre for Occupational Health and Safety.

I do not believe that this is the reason that the government wants to abandon its responsibility to fund the centre. I do believe that this government is not as sincere about its concern for worker health and safety as we would like it to be, or as it would present itself to be.

As we see from its agenda for the economy and for the areas of social welfare, the government tends to dance to the tune of big business. There is no doubt that when it comes to health and safety of workers, be it in the mines, mills or in any of the industrial areas, big business certainly has not led the way in health and safety. Their bottom line is profit, not people. That is unfortunate but true.

The leaders in workplace safety have always been the workers. If we go back to the late 19th, or the early 20th century, we see that the big issue of the day in the mines in Canada, the United States and around the world was safety. Unfortunately, for many reasons, health was not yet the prime concern of workers. The causes of disease in general were only beginning to be explored and understood by the medical establishment, much less by the workers.

The result of that can be seen in the number of miners today and years ago when miners suffered from that terrible disease known as black lung. The main concern was safety, because workers realized that every day they were going down into the pits, the coal mines and the gold mines, they were incredibly dangerous places to go. We all know there were many long drawn out battles and strikes like those led by the then famous John L. Lewis of the United Mine Workers, just to achieve some measure of safety and to get safety features written into the contracts.

The triumphs of these workers are prized today throughout Canada and around the world. Now, and in the last few years, health has become a very prominent issue, as it should be. Health is of major concern because there are so many chemicals and so many situations out there that affect the workers today, whether in buildings—a big problem being these sick buildings that we hear about—or whether underground in the mines, or in the mills or in the plants. All kinds of chemicals, dusts and fumes pervade the workplace. Over the years they have, in many cases, adversely affected the health and safety of the lives of workers. We see it with asbestos and with other agents that have been used throughout the years.

• (1310)

Time has shown that these agents are not the miracles that we believed them to be, that the price for the convenience and profit they provide have been too high. Canadians are increasingly aware of the damage we do to ourselves and to our environment.

I am quite aware of what the government intends to do to this centre. It wants to operate it much like a retail business where you buy your information. To that extent, of course, it has already been done at the centre as some information is available on disks for which there is a charge in order to generate revenue. If the source of health and safety information is to remain impartial, effective and accessible to all, then it must have adequate funding. If the government eliminates its funding the centre will have to look elsewhere.

Certainly, the workers cannot contribute the sums of money that are going to be required to maintain this organization because, as we know, they simply do not have the money. As the Canadian Labour Congress says, it cannot afford to contribute to the centre's funds because the funding would have to be continually indexed to maintain the level that is required and such organizations are not in a position to keep up with this, nor are private individuals.

The centre must not have to depend on money from big business for its survival because, if it does that, then it is to some extent beholden to them, and they simply cannot be trusted to place health and safety above all other priorities.

I believe that if this centre is to survive, if it is to maintain its world-wide reputation as an accessible, effective information centre, then it absolutely requires continued government presence and continued government funding. A basic foundation of the centre's mandate stipulated in statute was that the information would be accessible to any individual in Canada or, indeed, around the world. To ensure this continued funding is essential.

As I explained, another basic principle of the centre is that it be impartial. Therefore, the only realistic funding option is the federal government, public money, because the centre exists for public good.

I believe that the government has an absolute obligation to continue its presence and its funding to this centre. A withdrawal of regular funding amounts to nothing less than privatization of this institution.

As I stated, the centre exists for the public good. It must continue to do so. There are some things that must not carry a price-tag. There are some things which must not fall victim to the government's mania for privatization. One of these is the health and safety of Canadian workers.

I think that the government must be feeling a little bit guilty because it has promised to extend the centre's line of credit of $11.6 million until it becomes self-sufficient. Such a gesture by no means absolves the government. Its

bottom line is not supposed to be profit, it is supposed to be the welfare of the Canadian people.

I have no doubt that if the centre were to try to generate all its revenues, then it would not remain open very long because its effectiveness, its credibility and its accessibility would decline sharply. Quality of service does not come cheap, and whatever quality of service would be offered the centre would in many cases be too expensive.

I believe that the plan put forth by government will see a decline in the reliability and the accessibility of the centre through no fault of the people who work there. It is a fact that when the main preoccupation becomes financial survival then other priorities lessen in importance.

The Canadian Centre for Occupational Health and Safety has an excellent world-wide reputation as a one-of-a-kind source for vital information. To abandon this successful and admirable centre would be tragic and short-sighted.

Therefore, I support the motion put forward by my colleague from Hamilton West. I realize this is a free enterprise government, that its dream is a completely market-run economy, but such a concept violates basic Canadian values. One of those values is that the government must play a role in certain areas of public concern. One very important area is occupational health and safety. Every Canadian should have complete access to this information, and that principle cannot be denied.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am pleased to be participating in this debate, although I wish the reasons for it had never come about, namely, because of the decision of the government to privatize, to make self-sustaining, whatever the term it wants to use, in a sense to ditch from the duties of the government and the public the Canadian Centre for Occupational Health and Safety.

The Canadian Centre for Occupational Health and Safety was established in 1978 as a public corporation by the Parliament of Canada with the passing of the Canadian Centre for Occupational Health and Safety Act. The centre was set up as an independent body, reporting directly to Parliament through the Ministry of Labour.

A tripartite council of governors consisting of representatives from labour, employers and government was established to govern the centre. The enactment of this founding statute enjoyed all-party support, including the full support of the Conservative party.

It is important in commencing my remarks to touch on the objects of the centre. As set out by statute they are: (a) to promote health and safety in the workplace in Canada, and the physical and mental health of working people in Canada; (b) to facilitate (1) consultation and co-operation amongst federal, provincial and territorial jurisdictions, and (2) participation by labour and management in the establishment and maintenance of high standards of occupational health and safety appropriate to the Canadian situation; (c) to assist in the development and maintenance of policies and programs aimed at the reduction or elimination of occupational hazards; and (d) to serve as a national centre for statistics and other information relating to occupational health and safety.

These objects underline the fundamental principle upon which the centre was based. This principle is the right of access for all Canadians to information that they need to achieve their fundamental right to a healthy and safe working environment. All of this is now at risk due to the government's decision to cut the centre adrift.

Before commenting further on our attitude and response to the business plan which the Minister of Labour approved on March 7, the new guidelines for the operation of the Canadian Centre for Occupational Health and Safety, I think is is worth-while to note just what is at risk out there in the Canadian population. Every year, year in and year out, close to 1,000 Canadians will die as a result of occupational hazards. Some 20,000 will become permanently disabled, and hundreds of thousands of others will suffer illness or injury due to any one of a number of reasons related to their work. The direct cost of death and injury in the Canadian workplace was $3.54 billion in 1987. Those were the costs, both in human suffering and financially.

We believe that it is a grave error—worse than that, it is a major injustice—for the government to set adrift this centre which was vitally needed in 1978 to protect working Canadians. It is just as vitally necessary today.

As I said, on March 7, the Minister of Labour approved the business plan which, under the government's direction and with some hesitation on the part of the council of the centre, was drafted by the centre's council under duress and with a change of directors in the process.

In his statement of approval of that business plan, the minister said: "The government is deeply committed to the vital role played by the CCOHS in improving the safety of workplaces in Canada, and in protecting the health of Canadian workers".

• (1320)

No one in this Parliament, regardless of party, wishes harm to come to any Canadian. However, the likely result of the privatizing of this institution may lead to its breakup because one of the basic reasons for the tripartite council and the institution's credibility will be gone when it adopts as one of its prime functions the making of a profit or breaking even rather than providing a legitimate health service to Canadians. We doubt that the survival of the centre and the survival of its obligation to Canadian workers will survive this change in its status.

I would just like to comment briefly on the business plan. The overwhelming focus of the business plan is the commercialization of CCOHS through the sale, primarily to employers, of products, and the privatization of CCOHS by the termination of public funding. There are no proposals to use profits, to restore or expand the free health and safety information service that the centre offers to workers and the public. If this were in fact to be done there is a case for saying that the size and the impartiality of the nonelectronic part of its free information service could be maintained.

Second, the centre has built its reputation largely through providing high quality information on occupational health concerns, but the focus of the centre is now to be on safety issues with a mind to the cost of accidents to employers and workers compensation boards.

As someone who has had a fairly lengthy history of occupational health and safety on the job, one of the chronic problems in the past in Canada has been this emphasis on safety in the workplace as opposed to health in the workplace. It is only in fairly recent years that we have given appropriate attention to the health hazards that exist and the need to attempt to stop the problem at source instead of adopting programs, whether they be educational or anything else, that attempt to change the focus away from a safe workplace, suggesting that the problem is with the worker or with the employee.

Placing that kind of guilt trip is the kind of path that has been pursued by inspection services and compensation boards across Canada for many years. It is only in this last 10 years or so that we have begun to shift the focus on to where it primarily should be, that is, on having a safe and healthy workplace as opposed to putting the guilt trip on the individual worker.

I just want to give a couple of examples of that from a few years ago in British Columbia, what I like to call the bad old days, which is an odd way of putting it. We had one publication put out by the Workers Compensation Board in British Columbia that was just full of ideas for parades, prizes and safety contests. I can remember the quote: "the blowing of horns, the tooting of whistles" for community extravaganzas to draw attention to the area of safety and health.

One of the recommendations in that particular brochure, and I have seen similar things in other jurisdictions in Canada, was that a safety contest at sawmills should be to hide $1 bills—with the rate of inflation they should be $10 bills now—underneath boards that were left lying around in the sawmill yard for people to trip over. If you were smart enough to go and pick the board up, you would get this prize of a $10 bill that was hidden underneath it because you should not leave boards lying around because people trip over them and get hurt.

That is the kind of crazy attitude that we had to health and safety in the workplace in Canada for years and years. I am afraid that the privatization of this centre is going to be a signal to Canadian workers that we are turning back the clock once again. What we are asking the centre to do is to sell a product that it does not own, which is information on workplace hazards that has only recently been accumulated. There are signed agreements with NIOSH and other international centres of health information that may be broken in this process. If our source for the product dries up, we will have nothing left to sell.

This is a retrograde step by the government. It will be harmful to the health of Canadian workers. I hope beyond hope that the government will change its mind, recognize reality and renew its commitment—the com-

mitment of all of us—to the health and safety of Canadian workers.

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I am pleased to enter this debate on the Canadian Centre for Occupational Health and Safety. The position of the government for all the time we have been in government has been to attack the deficit. We do much of that through control of our spending, reducing the burden of our public debt on the people of Canada. There is probably no other topic that is more constantly brought to my attention in my riding.

To achieve this objective, the government is determined to sustain its drive toward improved management of expenditures. This requires not only that all departments realign and reduce their expenditures, but also that all sectors of the economy take part in this national effort.

In 1989, respecting the Centre for Occupational Health and Safety, the cabinet decided to reflect the policy of fiscal restraint and expenditure cuts to combat the rapidly escalating national debt. The cutbacks in expenditures were directed on a priority basis at the government's own programs. Indeed, we have been remarkably successful in this. Our programs have been growing at the rate of something like 3.6 per cent per year, not like some of the other governments in Canada which have been growing at two and three times this level. In mid-December, because of increased financial pressures on the economy, the government announced further cutbacks on department and agency expenditures amounting to $1 billion.

There are two principal elements of labour-management relations to achieve these economic objectives. The first element is partnership, which I believe to be the key to both economic and social development in Canada. Harmonious relations between all the partners—governments, employers and labour—to reconcile the often divergent interests is vital to the success of any initiative.

I have used the term "partner" deliberately. This is true of many other things that we do in government. An example of this would be the Workplace Hazardous Materials Information Service which provides a pan-Canadian standard for the pro-active disclosure of hazard information about materials used in Canadian workplaces. This is a prime example of effective partnership.

The consensus building and co-operation exhibited by all the partners resulted in WHMIS, an information system that is the most advanced of its kind in the world. Indeed, the unique and distinctly Canadian Centre for Occupational Health and Safety itself was created in 1978 by an act of Parliament. As we have heard from the member for Kootenay West—Revelstoke, it has resulted in co-operation and collaboration between governments, associations of employers, workers and occupational health and safety professionals.

Speaking after the hon. member for Kootenay West—Revelstoke is indeed difficult, because he, in his own right, is an expert in the matter of labour. He knows the problems and the dangers in the workplace. He also recognizes that all of us in Parliament are deeply concerned with the workers of Canada that their health be maintained.

The member and I differ in another regard very basically. He does not believe private enterprise can do a job. He believes that government-funded agencies are the only way to deliver services, and I believe that private enterprise is more efficient. I believe that private enterprise is not complacent and that people who do in fact pay for information probably value that information better.

The new technologies coupled with the specialty field of health and safety, the environment and other related fields are all areas where progress demands a change in work attitudes. Organizations and methods are the second element. The government, together with its partners, is constantly on the look-out for new approaches that can be used to make the workplace safer for Canadians.

The rate of scientific change and technological change, the very speed at which things change, has been constantly increasing and challenging all occupational health and safety professionals to improve preventive measures. We know that the future health and safety of all workers largely depends on the ability of all nations to share knowledge, to recognize new potential dangers, to find

immediate solutions and to ensure the implementation of appropriate preventative measures.

• (1330)

Since 1978 the centre has assumed the role of a national information resource which gathers, evaluates, and distributes occupational health and safety information to workers, unions, management, governments, other professionals and the public also receive this information. These information services have been provided at no cost, or on a minimal cost recovery basis.

The 1989 cabinet decision on the budget was that the centre should become financially more self-sufficient over the next three years for the information services provided to the users of the centre. This decision was based on the fiscal restraints confronting the government but also on the basis of the apparent financial maturity of the centre. Since 1978, the government has helped the centre with about $67 million in operating costs and approximately $2 million per year for other costs.

Since a few years ago, the centre has been recovering some of the costs of producing its information products. The 1989 decision meant that the centre should broaden its base of cost recovery. The costs are those associated with the costs of packaging and distributing these information products that are meant to be recovered, not the costs of the information itself.

The cuts in federal program expenditures are being applied to departments and agencies of the government delivering important services to Canadians. Some of these departmental programs like that of the centre are providing vital information and statistics to both the private and public sector. For instance, Statistics Canada is delivering its information services to its various clients on a cost recovery basis. Why then should the centre on Occupational Health and Safety, which is separate and distinct from government, albeit a federal agency, which has been principally funded by the federal government, be exempted from the general fiscal restraint and government policies on cost recovery?

The centre has demonstrated that it is capable of recovering some of its costs of producing its services. At the same time, it is an enviable market position of having a high quality product which is obviously in demand in a market that can be further exploited.

Cost recovery is not a new principle, nor is it confined to the federal government. It is a matter of good business practice within the public sector. For example, some provincial Workers Compensation Boards charge employers directly through sectoral assessment for the cost of providing workplace accident and injury prevention programs. Other compensation boards directly fund their preventive educational programs through moneys recovered through direct assessment of employers.

I would like to remind the members of the House that the decision to charge for the packaging and handling of the products of the centre was not made initially by the government, but rather, by The Council of Governors over two years ago. The Council of Governors decided at that time to charge for the packaging and handling of the discs, but not to charge for single copies of the other information products of the centre.

The application of this principle seems to be fair and reasonable. Broadening its application to other products of the centre is not unreasonable. Cost recovery is not a new principle. It is the policy of this government and of preceding governments to charge for and recover the costs of producing items of information. The principle of charging a nominal amount for this information is not new, it has been around for ages.

For example, Public Works Canada charges other departments equivalent market rates for accommodation services. Similarly, the Department of Supply and Services provides material and equipment purchasing services for other departments on a cost recovery basis. Statistics Canada charges for the data, information and publications that it produces and provides to both public and private sectors. The Government Publishing Centre, the Queen's Printer, of the Department of Supply and Services operates on a cost recovery basis.

I note that my time is coming to an end. I repeat what I said earlier today, that I believe private enterprise is a solution, in many cases, for government distribution of services. Under private enterprise, there is less complacency, more attempt at efficiency, and the people who

buy the product are indeed more satisfied and want that product rather than the products that arrive at the door free of charge.

I appreciate the opportunity to speak on the Canadian Centre for Occupational Health and Safety.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, occupational health and safety are vital issues in Canada. Occupational death is the third leading cause of mortality among Canadians, after heart disease and cancer. Hence, I am pleased to speak in favour of the private member's bill of my hon. colleague from Hamilton West which states:

> That, in the opinion of this House, the government should consider the advisability of reinstating funding for the Canadian Centre for Occupational Health and Safety.

The centre is the largest Canadian information bank and research centre on work hazards and disease.

The motion by my colleague is in response to this government's decision to reduce federal funding to the centre by 50 per cent by the year 1990–1991 and to totally cut funding by April, 1991. This government, in partial response to criticisms, decided this month to grant the centre $11.6 million to help it become financially self-sufficient in the next three years. This suggests that the government intends to privatize it at the end of these three years.

Established in 1978 as a public corporation by the Parliament of Canada, the centre is an independent tripartite council of governors from labour, employers and government. Its objectives are fourfold:

(1) to promote health and safety in the workplace in Canada;

(2) to facilitate participation by labour and management in the establishment and maintenance of high standards of occupational health and safety at all levels of government;

(3) to assist in the development and maintenance of policies and programs aimed at reducing or eliminating occupational hazards; and

(4) to serve as a national centre for statistics and other information relating to occupational health and safety.

Indeed, the centre has operated on the principle that it is the right of all Canadians to have access to information that they need to achieve their fundamental right to health and safety in the working environment. It is this principle that would be violated by this government's decision to privatize the centre.

I would now like to discuss some of the statements that have been made in the government-directed draft business plan for the centre.

First, under the mission and objective section of the draft business plan for the centre, it is stated: "The centre must become a commercial organization while operating under its basic mandate of serving workers." The plan also states that it is premature at this stage to state that the trend will be towards financial self-sufficiency and independence.

It is obvious that profit-seeking will take priority over serving workers under the proposed business plan, and this will jeopardize the fundamental principle of the centre, namely, that all Canadians have a right to access to information to achieve a healthy and safe working environment. Obviously, this government is not caring enough to continue promoting this essential right.

In the business plan, it also states: "It was not possible to conduct the kind of detailed market research and implementation planning necessary to develop a business plan that represents a firm commitment. Despite this, it has been concluded in this plan that financial self-sufficiency for the centre is entirely feasible."

This is an admission that this conclusion has been made without sufficient information and evidence. This is unacceptable. It makes a complete farce of the task force's promise of free access for individual Canadians to the centre's important health and safety information.

The third and last point in the business plan that I would like to comment on relates to the principles that govern tri-sectoral sharing in the centre's decision-making. I submit they ought to be continually recognized.

• (1340)

Although the business plan attempts to say that the principles will be recognized, if labour pulls out of the governing council because it believes the centre would no longer be an unbiased, impartial organization and instead, would merely be another business enterprise, then the commitment to tri-sectoral participation will collapse.

When it becomes a business enterprise, the centre will charge user fees which will have a strong negative impact on small employers with limited financial resources.

The government, in its arguments for privatization of the centre, has stated that it would save $10 million a year by cutting off funding to the centre. Is this good money management? Let me cite a few frightening statistics.

The Workers' Compensation Board stated that the direct cost of compensable injuries in 1987 was $3.54 billion. This only includes money spent to compensate workers or their survivors for injuries or deaths caused by workplace accidents and industrial diseases. Not included are productivity losses associated with accidents or diseases contracted in the workplace.

Estimates by Labour Canada put the total cost of direct compensation payments and direct productivity losses at $14 billion per year. This still does not include industrial diseases whose costs are incurred by medicare and welfare plans.

Such statistics are astounding. How much more will they be when the centre is no longer able to perform its current functions?

Mr. David Leitch, a lawyer and director of the Toronto Workers' Health and Safety Legal Clinic, said in *The Globe and Mail* of October 16, 1989: "Recognizing only the direct cost of workplace accidents and disease and assuming that the centre reduces the rate of workplace accidents by only one per cent per year, the direct savings contributed by the centre would be more than three times its $10 million annual budget."

Mr. Speaker, I ask, is the plan of the government good money management?

In conclusion, it is obvious that the withdrawal of government funding from the Canadian Centre for Occupational Health and Safety will not help reduce the deficit or our health care costs. Indeed, it will increase them. Cuts to the centre will lead to more on-the-job injuries and work disruptions. It is only too clear that this government puts its obsession with deficit reduction ahead of the health and safety of Canadians. This in itself is objectionable. What adds insult to injury is that by cutting funds to the centre and, hence, threatening the health of Canadian workers, the government will not be saving money. This lack of logic on the part of the government is truly frightening.

Hence, I support this motion. The government must not abdicate its responsibility to occupational health and safety and thereby endanger the well being of our Canadian workforce. The government cannot afford to do it. This House must show leadership and tell the government it cannot proceed.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the Canadian Centre for Occupational Health and Safety was created through partnership and as an expression of co-operation between labour, employers, governments and health and safety professionals, not only to minimize the pain and suffering caused by work related injury, illness, disability and death of Canadian workers, but also to reduce the economic losses to Canadian society.

During the first 12 years of its operations, the funds provided to the centre by the federal government amounted to some $67 million. During the first six years from 1978 to 1984, the centre received an average of some $3 million per year from the government. During the last six years, from 1984 to the present time, the support has been in the area of approximately $50 million or about $8 million per year. This surely demonstrates the government's concern for the health and safety of Canadian workers.

In addition to the direct financial support the centre has received since 1978, the government has also indirectly contributed through costs of services such as accommodation and translation.

Unfortunately, the national debt and the difficulties in servicing it have resulted in constraints upon this government. It is not good enough for those opposite to speak in terms of the health and safety of Canadians being threatened in regard to any decisions relating to this centre. The fact is that the health and safety of Canadians in future depends very much on deficit reduction, because if the government of the day is not financially responsible, there will certainly be insufficient funds left in the future to maintain any sort of services for Canadian people.

In the spring of 1989, the cabinet decided, because of fiscal restraints and the apparent financial maturity of the CCOHS, that the centre should progressively become financially self-sufficient over the next three years, in so far as the information services provided to its users. This would make the centre independent of funding support from the one partner, through increasing its

revenues and by recovering more of the costs of producing the products of the centre from those who use it, that is, all of the partners.

The government's decision on funding is simply that the centre has been asked to broaden its cost recovery policy which it started to implement over three years ago. This decision to recover some of the costs of the centre's products was made by the centre's Council of Governors and not by this government.

In May, 1989, the minister requested that the president of the centre, in consultation with the governing council, develop and submit a business plan to him by the fall of 1989, in order to meet the government's decision on funding. The minister also met with representatives of the centre's Council of Governors to discuss the Treasury Board decision and the requested business plan.

The business plan for the centre's operations was developed by a task force of governors of the centre, with the assistance of Price Waterhouse, management consultants. This plan was presented to the council in January of this year. It was submitted to the minister in February of this year. The business plan reinforces the cabinet's decision and concludes that financial self-sufficiency for the centre is entirely feasible.

The business plan strategy focuses on information products and services that can be delivered through compact disc technology. It suggests development of existing and new markets for existing products. It concentrates on marketing safety related products, and bundles services into packages where possible. It recommends marketing them through existing marketing channels and special arrangements with other organizations and associations.

The key challenge facing the CCOHS will be to meet the challenge of becoming a self-sufficient organization while operating under the basic mandate of serving Canadian workers.

The balancing of these two demanding objectives, while at the same time maintaining the stability of the organization and the conformity of its services through the period of adjustment, will be a challenging task for the management of the centre.

It is understandable, Mr. Speaker, that the sequence of events over the past year have imposed some anxiety upon the staff of the CCOHS and engendered uncertainty about their future. That is why earlier this month the Minister of Labour announced that the Government of Canada would provide interim bridge financing for the centre in order to assist it in becoming financially self-sufficient in the next three years, as proposed in the centre's business plan.

It is the government's intention that the centre will continue its role of providing valuable information to all Canadians on matters of occupational safety and health. The government's decision, again, is simply that the centre should recover more of its cost in packaging and distributing the information products of the CCOHS.

The need for greater devolution of responsibility and accountability and increased efficiency within government agencies is higher now than every before. As part of this government's commitment to financial restraint, it has decided it is no longer possible for the government to be the sole financial supporter of the CCOHS. Accordingly, it is the intention of the government that the CCOHS will continue as a financially viable and useful source of unbiased information on occupational health and safety matters in Canada.

The government's funding decision on the centre is not an attempt to privatize it, which would destroy this unique tripartite partnership and the unbiased nature of the products of the CCOHS. The decision is simply and only to make the CCOHS more financially self-supporting by recovering more of the costs of producing its products.

The reason for this thrust and, indeed, that of many others put forward by this government over the past almost six years is to address the difficulties that were left to it. There is a national debt in the area of some $200 billion and a requirement to find the wherewithal not only to pay for the services and operations of the departments of government, but also to pay interest on the accumulated past debt. This requirement has now reached the area where some 30 cents to 35 cents of every revenue dollar acquired by government has to go to pay interest on that past debt that was acquired over roughly the period from 1970 through 1984-85.

• (1350)

The need to deal with this debt and deficit problem has become the most compelling factor on the national scene. If the problem is left unaddressed and without sufficient attention being paid to it, we shall soon reach the position where so much of the revenue of government will be required to pay interest on that past debt, there will virtually be nothing left to carry on the essential services that Canadians expect of their government.

It is against that difficult background that the Department of Labour, and indeed all of the departments of government, have to operate today. That is why it is necessary to ensure that some of the services which are put out in fact have to become financially self-sufficient.

In closing, I want to reassure the House that the funding of the Canadian Centre for Occupational Health and Safety reflects these philosophies and will not result in the closing of the centre. The changes merely reflect this government's belief that the CCOHS is now a viable enterprise, capable of becoming more self-sufficient financially. This opinion has now been supported by the Council of Governors itself in their business plan for the centre.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it gives me great pleasure to support my colleague from Hamilton West who sits in the opposition on this side of the House who has moved the following motion:

> That, in the opinion of this House, the government should consider the advisability of reinstating funding for the Canadian Centre for Occupational Health and Safety.

[*Translation*]

When the Canadian Centre for Occupational Health and Safety was founded approximately 10 years ago, its primary purpose was to serve workers and the general public by informing them of potential hazards in their respective workplaces. It was supposed to warn workers and help them avoid, as much as possible, unfortunate accidents that might also put their lives at risk.

As a result, the federal governments been annually saved millions of dollars which would otherwise have been spent on hospital care.

Every year, work-related accidents involve direct and indirect costs totalling $17.7 billion, and the government is fully aware of this. Furthermore, we must not forget that accidents in the workplace are the third major cause of death in Canada, after heart disease and cancer.

The government wants to make the centre an autonomous, fee-for-service agency.

Mr. Speaker, I predict that if this is done, the centre will close very shortly.

In its frenzy of cutbacks in all areas that come under its jurisdiction, the government does not seem to realize the long-term consequences of its actions. To operate on a profit basis is entirely acceptable. In fact, it is the way any organization should operate. The problem with putting the centre on a commercial basis is that it would doom the centre to disappear, because it was not meant to operate this way, and the organizations with which it has reciprocal agreements and exchanges of information free of charge would be reluctant to continue this relationship.

Obviously, foreign governments, various United Nations programs and international labour organizations involved in the same type of work as the Canadian Centre for Occupational Health and Safety will seriously consider withdrawing their support from an agency that sells the information it obtains free of charge, especially since the information was obtained by non-profit organizations.

The Canadian Centre for Occupational Health and Safety must continue to be subsidized by the government, otherwise it may very well close down or eventually be privatized, which amounts to the same thing. If fees are charged, services will be more readily available to those who can pay for them than to the persons for whom the centre was in fact founded, the workers, who will then be cut off from information they desperately need.

The Canadian government must ensure that all Canadian workers have access, free of charge, to any information relating to occupational health and safety.

[*English*]

Mr. Ross Stevenson (Durham): Mr. Speaker, I am pleased to take part in the debate on this motion this afternoon. I think it is important for everyone to realize that this centre was established by an act of Parliament in

1978 and that the objective of the centre is to gather, evaluate and disseminate occupational health and safety information to Canadian workers.

In putting forward a business plan for the future of this centre, it is certainly not the intent of the government or any other of the partners involved in this centre to weaken its future. Quite the contrary, it is the intent and certainly the concern of the government that this centre have a very positive future and have a sound financial basis from which to operate.

Mr. Speaker, you will be aware that for many of the services of government and partners of government, there has been an action by the federal government to try to make a number of these services more self-sufficient, to increase cost recovery, and certainly the action here is not out of line with many other actions that have been taken on other government services. It is important that we realize that and concentrate on firming up the future of this centre in a self-sufficient manner.

Therefore, a business plan for this centre's operations has been developed by a task force of governors of the centre with the assistance of Price Waterhouse, management consultants. The plan was presented to the council on January 23, 1990 at a meeting in Hamilton and was submitted to the minister in February. The business plan reinforces the cabinet's decision and concludes that financial self-sufficiency for the centre is entirely feasible.

The key problem facing the centre will be to meet the challenge of becoming self-sufficient in the future while operating under the basic mandate of serving Canadian workers. The balancing of these two demanding objectives, while at the same time maintaining the stability of the organization and the conformity of its services through a period of adjustment, will be a challenging task for the management of the centre.

The Acting Speaker (Mr. Paproski): The hon. member will have six minutes remaining in his debate the next time the motion is brought before the House.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

MINORITY LANGUAGE RIGHTS

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, the Supreme Court decision in the Mahé case is an important victory for linguistic minorities in Canada. The Court ruled that section 23 of the Charter of Rights includes the right to manage and control schools. I want to remind the House that Franco-Albertans were able to go to court to determine their rights because in 1980 the Liberal government decided to repatriate the Constitution and include a Charter of Rights in it.

At the time, we decided that we had to define once and for all the rights that belonged to all Canadians. We believed that the Charter would thus become an important unifying factor. In that sense, Mr. Speaker, Canada is the big winner in this Supreme Court decision affirming the rights of linguistic minorities in this country.

* * *

MINORITY LANGUAGE RIGHTS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on March 15, the Supreme Court handed down an historic ruling on francophone minority rights with respect to education. The judgment makes it clear that francophones in Alberta have the right to control and manage their own schools. This is a major victory for all francophones outside Quebec.

Mr. Speaker, it took eight years of waiting and costly legal battles before Franco-Albertans finally saw this fundamental right recognized.

The judgment specifies that the quality of the education offered must equal that of the education given the majority, without necessarily being identical.

However, by refusing to comment on the terms "where numbers warrant" in section 23 of the Charter, the Supreme Court has handed the issue back to the provinces and our legislators.

Considering yesterday's judgment, Mr. Speaker, it is imperative that the provinces be more generous in recognizing the legitimate rights of their language minorities and stop harassing them before the courts.

* * *

[*English*]

SPORTS

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, on behalf of this House I would like to extend best wishes to Team Canada and all the women who will be competing in the first International Ice Hockey Federation Women's World Championships here in Ottawa.

Beginning today and all this week, teams representing Canada, United States, Japan, Switzerland, Finland, Sweden, Norway and West Germany will face off in this inaugural meeting of the best women hockey players in the world.

As a great hockey nation, we can be proud that the first women's hockey championships are being held here in our capital. I would like to recognize and thank the co-hosts of this event, the city of Ottawa and the Canadian Amateur Hockey Association.

I would also like to recognize Tackla Canada Incorporated, *The Ottawa Citizen* and the Tyrell Press which as principal sponsors, have offered their assistance in the staging of this world-class event.

I urge all members and the public to go and see the games and cheer on the competitors.

[*Translation*]

Good luck to you all!

* * *

[*English*]

NATIONAL ENERGY BOARD

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, moving the National Energy Board to Calgary is an idea whose time has come.

The heart of the oil and gas industry is in Calgary. Naturally the bulk of the board's work involves interfacing with Calgary based companies.

Moving the board's 285 Ottawa employees to Calgary would save dollars and increase and improve access to the oil patch.

The National Energy Board is an independent, self-contained agency which could operate anywhere and should operate close to the source of the action in the industry.

The largest percentage of the costs of operating the board are borne by the industry, so the National Energy Board should conduct its business and spend its money in the community that bears all the costs.

Moving the National Energy Board to Calgary would be more than a symbolic gesture. It would put the National Energy Board in the same business and political environment as the companies and people whose livelihoods depend on its decisions.

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TOURISM

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, tourism, Canada's fastest growing industry, is also an industry at risk. Canada's share of world tourism is declining. Our travel trade deficit is now over $3.5 billion and growing. That is an increase of some 28 per cent over the previous year.

While U.S. visitations have declined, the exodus of Canadian visitors to the United States has surged 53 per cent since 1986.

A recent study of 500 American travel agents revealed that Canada does not even make the top 12 destinations for Americans in 1990. Despite this dramatic decline in U.S. visitations, the federal government has slashed its tourism marketing budget 30 per cent since 1988 and now plans to impose a goods and services tax that will result in substantial price increases and a projected loss of 25,000 jobs and $1 billion a year to the industry.

Inadequate tourism marketing and increased taxation is pricing Canada out of both international and domestic tourism markets. At a critical time for tourism, this government has failed to provide the support the industry needs in order that Canada remain a competitive player in the global tourism market-place.

* * *

FOOD PROCESSING INDUSTRY

Mr. Ross Stevenson (Durham): Mr. Speaker, changing consumer trends and new technology are promising to revolutionize the Canadian food processing industry. Early evidence indicates that Canada's food processors

are rising to meet the challenge by becoming increasingly more competitive and market responsive. Despite media reports blaming plant lay-offs and closures on the Canada-U.S. trade agreement, shut-downs can be attributed to changing business cycles resulting from antiquated facilities and company-wide restructuring.

The news that is receiving little attention by the media is the amount of new investment being carried out by food processors. For example, aggregate planned expenditure on plant and equipment in the food processing industry increased by 15 per cent. In the baking sector increases were 40 per cent and up 73 per cent in the red meat industry. From January 1, 1989 to December 31, 1989 there were 18 plant closures, 62 new investments including new plants and plant enlargements, and 35 plant mergers and acquisitions.

Canada's processed food industry is confident in its ability to produce quality products, and the significant increase in Canadian investment is proof of that fact.

* * *

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, while the Prime Minister is soaking up the rays in Barbados, a growing number of Canadians are venting their outrage at his new 7 per cent goods and services tax, and they are finding new ways to condemn this government's tax grab.

For instance, last week the Liberal Party organized an electronic petition, the first ever in Canadian politics. By calling the hotline number, Canadians could register their vote against the GST. This pilot project was a resounding success. As a matter of fact the response, dare I say, so overtaxed the Bell Canada 1-900 service that a second line had to be installed mid-week.

Over 70,000 Canadian households called to register their opposition to this disastrous tax. Their calls joined the over 600,000 signatures that we have already presented in this Chamber. Those Canadians want to deliver a simple, visible but very loud message to the Prime Minister about his unfair tax; either scrap the GST or Canadians will scrap you.

Stay tuned, Mr. Speaker, for the next chapter in the Liberal Party's continuing fight against this Tory tax grab. Axe the tax.

* * *

[*Translation*]

MEECH LAKE ACCORD

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, in June 1987, 11 first ministers agreed on a formula for getting the Province of Quebec back into the Canadian Constitution.

Whatever the outcome will be, in the course of this lengthy process Quebecers have acquired greater maturity and a more balanced outlook, and they are in a better position to weigh the views held by anglophones with respect to Quebec.

The process has also helped a number of anglophones to acquire a better understanding of the position of Quebecers in the Canadian society.

Basically, I think the Meech Lake Accord must be ratified by all provinces, so that we can continue to work for the well-being of all Canadians.

In fact, the following words by Jean Jaurès say it quite admirably, and I quote: "*Le courage c'est d'aller à l'idéal et de comprendre le réel*".

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, it is about time this government started listening to Canadians. Over 70,000 households and small businesses called in against the GST on the Liberal Party's phone-in petition, and we want to thank each and every one of those people. Over 600,000 people have signed petitions against the goods and services tax.

Canadians have overwhelmingly said no to this idiotic tax, but this government's response has been to stifle debate in the House of Commons on the proposed tax. It has ignored 600,000 people who have signed petitions. It has also paid no attention to thousands of Canadians who have protested this regressive tax through letters and rallies.

• (1410)

The Conservative government does not care what Canadians think about the GST. It just spends money to advertise a tax that has not yet gone through Parliament.

The Liberal Party of Canada does care what Canadians think. We are listening to the people. We have collected hundreds of thousands of names on petitions against the GST. We will collect even more. The Liberal Party will continue to represent the voice of Canadians in a fight against the GST. We will continue to fight this fight to the bitter end or until this government is defeated, whichever comes first.

* * *

DRUG TESTING

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, the misplaced priorities and lack of consultation inherent in the government's strategy for substance abuse tabled in this House on Friday last lead us to believe that this report is more a red herring strategy for the political safety of the Tory government than a strategy for the safety of the travelling public.

The public has a right to expect the maximum degree of safety and security compatible with a free society, but this government report fails on both counts.

First, by focusing on mandatory alcohol and drug testing, it simply takes employers and the government off the hook and gives the appearance of doing something about safety.

Second, while concluding that work related stress and fatigue are the primary causes of alcohol and drug abuse, the report totally fails to deal with these causes which result from our mismanaged, understaffed, overworked and deregulated transport industry.

The consultation process on this sensitive area was seriously flawed and worse as a signed agreement with the Canadian Labour Congress, and consultation was unilaterally broken by the government. That plus the unrealistic 90–day committee study suggested by the government leads us to believe that this policy is designed to meet the conditions and timetable of U.S. laws and the U.S. government rather than the needs of Canadians.

We can only hope that the transport committee will put this report into a proper context, give appropriate recognition to the rights of Canadians and consult more fully than did the government.

* * *

IMMIGRATION

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, March 18 to March 24, 1990 marks Manitoba's first Immigration Awareness Week. The event celebrates the contribution immigration has made to the growth and development of our community and country. Immigration has enriched our social environment, multicultural mosaic and political system,and has strengthened our commitment to family values and humanitarian ideals.

Equally important, immigration has stimulated Canada's economy through an inward flow of capital, $6 billion in 1988; the creation of jobs, 36,000 within the next six years; increased demands for goods and services; more taxes paid; and provision of a quality labour force. I therefore salute the Manitoba steering committee with its multi–sectoral representations for their laudable initiative.

I invite my colleagues in Parliament during this week to celebrate with Manitobans the role immigration has played in the building of our province and our nation.

* * *

NATIONAL UNITY

Mr. Girve Fretz (Erie): Mr. Speaker, in periods of dissension or disagreement in a partnership or between family members is the fact that we can appreciate, respect or love another just as much for dissimilarities as those points that we share or have in common.

Canada for 125 years has been a country that includes the province of Quebec with all her differences, and it is those differences that make Canada the country, Canada and its citizens more unique and more attractive.

Quebec's uniqueness must be allowed to foster. She must be allowed to grow within the Confederation of Canada as a strong and contributing family member who may have different points of view and opinions, but whose differences should not be judged as ones of intolerance but ones of appreciation and appeal.

* * *

SPORTS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the New Democratic Party is very pleased that Canada is hosting the first ever women's world hockey championships in Ottawa beginning today and running this week.

It is only appropriate that Canada, the birthplace of hockey, be the site of this landmark event. Hockey is truly a great sport, a sport which Canadians take great pride participating in and supporting.

I and my colleagues in the New Democratic Party would like to commend the Canadian Amateur Hockey Association and the International Ice Hockey Federation for recognizing the value and merit of this event and sanctioning it.

We hope that this is the first of a series of steps which would see both the increase in popularity of women's hockey in Canada and around the world and rapidly lead to the inclusion of women's ice hockey in the Olympics as a full medal sport.

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GOODS AND SERVICES TAX

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I read in the paper that the Liberal Party had set up a phone line so people could call and express their opinion on the GST. I thought this was a decent idea because I think Canadians should have an opportunity to express themselves.

I called the number and a machine came on and told me my vote had been recorded and then the line went dead. I did not have a chance to say anything.

Then I called the government's GST hotline and a real person came on and gave me information. I believe Canadians would rather have information about the GST and make up their own minds.

I urge all Canadians to call the GST hotline at 1-800-267-6620. Once again, that is 1-800-267-6620.

[*Translation*]

CANADIAN POLICEMEN'S CURLING CHAMPIONSHIP

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, this week, the town of Cap-de-la-Madeleine is hosting the 35th Canadian Policemen's Curling Championship. This will be an opportunity for all participants to get to know each other and develop strong ties that will remain, beyond the barriers of distance and language.

I would like to take this opportunity to stress the magnificent job being done by police officer Raymond Rochefort and his team of volunteers, who during the last two years have worked so hard to make this event a great success. We had some indication of this at the official opening which took place at the Jean-Guy Talbot arena yesterday afternoon.

I also would like to mention the town council of Cap-de-la-Madeleine which went all out to support Raymond Rochefort's team in every way.

The Canadian Policemen's Curling Championship is so successful thanks to the determination of all those who believed that making this event a success was the best way to show all Canadian provinces that the people of Cap-de-la-Madeleine know how to organize and get things done.

Once again, our congratulations to Raymond Rochefort and his team, and many thanks to all those who trusted Cap-de-la-Madeleine to organize this first-class event.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister.

This government always claims to support the concept of sustainable development, and I am sure we will hear a lot of high-flown rhetoric in that regard at the Globe 90 conference in Vancouver this week. Almost two years

conference in Vancouver this week. Almost two years ago, in June 1988 at the International Conference on the Changing Atmosphere, the Prime Minister said:

> We have established mechanisms to ensure that economic decisions take environmental impact into account.

Yet last week, the Federal Court of Appeal agreed with an environmental group when it ruled that the federal government failed to apply its own environmental assessment rules before approving the construction of the Oldman River dam.

Why has the government not used the Navigable Waters Protection Act to stop construction of the dam? When will the government apply the mechanisms the Prime Minister boasted about over two years ago to protect the environment, or is the government saying its participation in the Globe 90 conference will be nothing more than a sham?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member's conclusions are totally inaccurate and inappropriate. This government has had a tremendous record on the environment and the commitment has been reaffirmed, has been recognized and has been acknowledged; perhaps not over in the Liberal Party but certainly throughout the world.

Both the Minister of Transport and the Minister of the Environment have indicated that this is a very complex ruling. It is being considered in a very full manner and, when a decision is reached as to the next steps that the federal government will take with regard to this matter, it will be announced in an appropriate fashion.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Federal Court couldn't be clearer. It says that the government does not have the option. It is obliged to stop construction of this dam and, second, to apply a full environmental assessment to this project before it goes ahead.

This decision reinforces two previous decisions of the same court on the Rafferty–Alameda dam. These decisions together say that when any project has federal implications it cannot go ahead until there is first a full federal environmental assessment.

• (1420)

Why is the government ignoring the decision of the Federal Court and thereby failing, in the Prime Minister's words, to ensure that economic decisions take environmental impact into account? How does the government expect to be taken seriously on the environment when it is ignoring the words of its own Prime Minister and when it fails to uphold, enforce and accept the decision of the Federal Court on the Oldman River dam case?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, there are two or three points which should be brought to the attention of the House.

First, the decision with respect to the Oldman River dam that was just handed down was contrary to the earlier decision of the court. It is certainly appropriate, therefore, for Justice, Transport, Environment and Fisheries and Oceans officials to consider very carefully the implications of that decision.

Second, I would remind the hon. member that the decision handed down by the appeal court did not address the issue of construction, despite what the member just said.

Third, with respect to the concept of sustainable development and whole issue of environmental assessment, it is very clear that the government has indicated from day one that it will be implementing the federal guidelines, the EARP guidelines, and that it will be doing that in the very reasonably near future.

I point out, in conclusion, that after Rafferty–Alameda there were appropriate deliberations and the right decision was made after a period of several days. I suggest the same thing will happen here again.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the hon. member speaks of environmental assessment guidelines that are going to be coming in the future, but the Prime Minister said almost two years ago that these mechanisms are already in effect and are to be applied when there are economic decisions to be taken. The member has failed to explain why the government is ignoring its own policy.

[*Translation*]

Mr. Speaker, three times, citizens had to go court to make the federal government enforce its own environmental legislation.

Mr. Speaker, my question is this: Can we really expect Canadians and people from all over the world who have come to attend the Globe 90 Conference to believe this government when it promises, and I quote: "an environmental agenda aimed at ensuring sustainable develop-

ment", when this government doesn't even comply with its own environmental legislation? Can we?

[*English*]

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the hon. member refers to sustainable development, promises made, and the Globe 90 Conference which is a landmark conference taking place in Vancouver this week.

I would suggest that those who are attending the conference, perhaps later this afternoon, will in fact hear news from the government with respect to promises made and with respect to sustainable development. I think it is the kind of news that all Canadians and people throughout the world, particularly in the province of Manitoba, will applaud.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Minister of Finance. Now that the minister has had a few days to think about what he said in Montreal, that Canadian workers should not be so greedy, and about his refusal, to listen to senior citizens who objected to his GST bill, is the minister prepared to apologize to senior citizens in Quebec across Canada, as well as to Canadian workers who object to his GST?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what the hon. member has done is, first, totally distorted what I had to say about wages and salaries. Second, he has put the thing totally backward in relation to my meeting with the senior citizens.

I think I heard the hon. member say that I did not want to hear the senior citizens. Quite the contrary, I did want to hear the senior citizens. That is why I set aside an hour and a half that day to meet with 15 organizations, to have a dialogue on the goods and services tax, to hear their points of view, to tell them what my points of view are, and to see whether we could get some better understanding. Unfortunately most of the people who came to that meeting left before we had any dialogue. I think that is very unfortunate.

Mr. Douglas Young (Gloucester): Mr. Speaker, the point is that the minister refuses to listen to anyone who opposes his tax. He has attacked everyone—

Some Hon. Members: Oh, oh!

Mr. Young (Gloucester): —who has ever had anything to say about it.

Since the Minister of National Revenue has floated figures from $200 million to $365 million, and since there have been figures as high as $1.4 million to implement the minister's goods and services tax, will the Minister of Finance, in consultation with the Minister of National Revenue, finally tell Canadians how much it is going to cost to implement and administer the goods and services tax? One figure.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not understand the hon. member again saying I refuse to listen. What we have been doing over the course of the last five years, and intensively since June 1987, has been just that: listening, discussing, and having a dialogue to understand the points of view people have on the goods and services tax. We have made a number of changes to reflect the points of view that Canadians have put forward.

Unfortunately I have not been able to have a dialogue with members of the Liberal Party of Canada because the Liberal Party of Canada has no alternative. They have no ideas. They have not put any proposals forward as to what they would do. They say "replace the existing sales tax", but then they do not say how we would find the $18 billion that the existing sales tax is raising for us now. Unfortunately we have had a total cop-out from the Liberal Party of Canada.

My hon. friend asks for the specifics on the administration of the goods and services tax. I point out that he said it is going to cost $1.4 billion to implement the tax. That is wrong. If he would check *The Budget Papers*, he would see very precisely the amounts of money for the administration as well as the implementation.

I point out that the $1.4 billion figure which has been floating around includes the cost of implementation and the first four years of the administration of the tax.

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[*Translation*]

MEECH LAKE ACCORD

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Deputy Prime Minister. On the weekend, the Secretary of State for External Affairs drew a parallel between the consequences of non–ratification of Meech Lake and the violence during the 1970 October crisis in Quebec. Does the Deputy Prime Minister really believe that this kind of statement, which is insulting to Quebecers, will help promote the Meech Lake Accord? Is that the kind of leadership the Prime Minister meant?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the hon. member should be a little more circumspect about claiming she speaks for the people of Quebec.

Some Hon. Members: Hear, hear.

Mr. Clark (Yellowhead): If she wants to quote me, she should not quote just a few passages out of context of what I said in Edmonton, and that is the plain truth. Many critics of Meech Lake tend to forget the kind of situation we had here in Canada a few years ago, when there was a wave of separation in the province of Québec and threats of violence in the streets. We cannot afford to forget Canada's history if we are to achieve unanimous ratification of the Meech Lake Accord.

[*English*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is again for the Deputy Prime Minister.

Canadians are increasingly concerned about the future of this country. Surely discussions about violence or potential violence simply fuel the flames of that concern.

What is this government doing to promote a reconciliation of this country instead of fuelling the flames of dissension?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's question because there has been outstanding leadership from some of the members of her party who have been working very closely on this issue. We appreciate that support very much. I particularly refer to the hon. member for Yorkton—Melville, who has been very instrumental and very supportive of the exercise. I can assure the hon. member that discussions are ongoing. There is still hope that some accommodation may be reached. I still believe that with goodwill prevailing, and tolerance and understanding, the future for ratification of the accord is very much alive and very much a clear possibility.

• (1430)

The Prime Minister, as you know, is out of the country at the present time on official government business. I can assure the hon. leader of the New Democratic Party that even while he is out of the country he is working on it and he will be totally seized of the issue when he returns.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. I appreciate the Deputy Prime Minister's serious response to a serious question about the future of this nation.

Are the Prime Minister and his government prepared to call a full and open conference long before June 23 so that Canadians can hear the dialogue and understand what is involved to reconcile the impasse that we are at now?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated to the House on an earlier occasion, that has certainly not been ruled out. But I think it is important to ensure that there is progress made in closing some of the gaps with respect to the divergent views of the three provinces that are still having difficulty with the accord.

My sense is that if there can be a closing of that gap and some progress made, it may very well be appropriate to call a First Ministers' Conference. As I said, that has not been ruled out but I think the timing is important here. Hopefully there can be some progress made before the convening of such a conference.

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the newly minted Minister of Fisheries who, I may say, has made an impressive beginning in what is a difficult portfolio. To his credit, in the last three weeks or so he has seen first hand the havoc and pain being caused by the collapse in the inshore fishery in Newfoundland and Atlantic Canada generally, the cutbacks in the offshore and the shut down of fish plants.

Is he in a position now, or could he put a time frame on when he might be in a position to announce on behalf of the government a comprehensive emergency response program to come to the aid of the fishermen and the plant workers whose incomes have been decimated by the events I have mentioned?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, the situation in the fishery in Atlantic Canada is very complex. I have been busy in the last two weeks since my return from Atlantic Canada consulting with my colleagues on the Northern Cod Committee who have been seized with this issue for a long time.

We are progressing in trying to shape an initiative on the part of the government that will address the concerns of the people living off this resource in Atlantic Canada. I am hopeful, although I am unable to give a definite time frame, that in the very near future we will be able to put in place initiatives addressing the concerns that exist.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, my supplementary question is for the same minister. He would have had an opportunity by now to peruse and perhaps study closely the findings and recommendations of the Harris panel on northern cod.

Why is it taking so unconscionably long to make this report public, if not to act on it certainly to make it public? Also, in particular, could he tell us whether he anticipates any further cuts in quotas or plant closures or lay-offs as a result of the recommendations contained in the Harris findings?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, given the severity of the problem and the issues in Atlantic Canada in the fishery, I do not think that it would be to the advantage of the fishery in all of Atlantic Canada to rush the release of Harris just for the sake of being expedient. I and my colleagues agree that instead of coming with a quick answer we should put it in the context of the whole fishery in Atlantic Canada in order that we put in place what is right for the industry, and that is what we are aiming to do.

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LITHUANIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the right hon. Secretary of State for External Affairs and pertains to the events happening in Lithuania this weekend.

On several occasions the president of the U.S.S.R. has ruled out the use of force as a reaction to Lithuania's declaration of independence. Over the weekend, however, military aircraft, tanks and Soviet troops staged manoeuvres near the border between Lithuania and Byelorussia.

Has the Secretary of State for External Affairs called in the ambassador of the Soviet Union to find out exactly what the Soviet Union is trying to achieve with these manoeuvres after promising that no such military tactics would be used?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have indeed called in the Soviet ambassador and expressed our concerns about this matter, and I know they are concerns shared by the whole House.

I think the House would be interested in knowing that there are Canadian citizens involved in helping the government of Lithuania with its activities, including its media relations. One of those Canadians, Carla Gruotis, has told Canadian government officials that the low-level military manoeuvres that were taking place in southern Lithuania, especially near the Byelorussian border, are "unnerving but not serious" and attributed them to over-zealous local commanders. That is the view of Canadians working with the Lithuanian government in the area.

Nonetheless, we are very concerned about these matters. We are in touch with the Government of the Soviet Union urging it to recognize the clear majority opinion expressed by the people of Lithuania, to proceed in a way that will yield a negotiated, acceptable solution and to respect the commitment that was given to me by

Mr. Shevardnadze that there would be, to use his words, "no crackdown".

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I thank the right hon. minister for that detailed response. Canadians of Lithuanian descent are very concerned about the breakdown in communications in Lithuania. Many have been trying to no avail to get in touch with their families and friends.

Has the Secretary of State already in his talks with the ambassador broached the subject, or does he intend to broach it with the ambassador so that Canadians can be assured that their loved ones are safe?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are pursuing that but telephone lines which have to run through Moscow to get into Lithuania are subject to what Soviet authorities are calling "preventive maintenance".

We are asking that that phase of preventive maintenance be ended and that communications be encouraged and allowed between Canadians of Lithuanian origin and their relatives and friends in Lithuania.

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MULTICULTURALISM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Deputy Prime Minister. When will the Prime Minister fulfil his election promise, which he repeated again just recently, to acknowledge the injustice of the racist Chinese head tax and also the Chinese Exclusion Act?

Also, when will he apologize officially for injustices that were perpetrated against Ukrainian Canadians during World War I when they were interned and also Italian Canadians and others who were interned unjustly during World War II?

Does the Deputy Prime Minister not agree that it is important for us to acknowledge these past injustices in order to help prevent a recurrence of racism and prejudice in Canada?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I would like to say, on behalf of the Secretary of State, that the government is used to working with different communities in this country as it has with the Chinese community.

The Secretary of State is working on this matter at the present time. He has met and will meet again with representatives of the community and that is the way that the Secretary of State will address that issue.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to direct my supplementary question to the Deputy Prime Minister since this is a matter of government policy.

• (1440)

We know that there are different views on the question of redress. Would the Deputy Prime Minister appoint a national redress commission that would develop redress policy and that would also recommend specific compensation in the cases of redress that I have mentioned?

Will the minister, in co-operation with the minister responsible for multiculturalism, and perhaps the Minister of Justice as well, consider establishing a national redress commission?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I believe that when I answer the questions of the hon. member I am speaking on behalf of the government.

I think it is a very serious question and that is the way I take it. I believe also that the Secretary of State is, as I was when I was in that position three years ago, always working with the communities in the way that he determines.

Ms. Mitchell: That's not the question.

Mr. Bouchard (Roberval): The member is not satisfied. I am not finished my answer, Mr. Speaker.

He will work with those communities in the way that he determines is the best, and I am sure the member will agree with that. It will not be necessarily what she proposes, but we have done a lot of things that she never proposed.

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GOODS AND SERVICES TAX

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is for the Minister of Finance. Over the last few days the Liberal party has been running a 50 cent phone

line telling Canadians that if they call the number they will be recorded as being in opposition to the GST.

Media reports indicated that some 60,000 calls were recorded. That has been updated today to 70,000. Of course, we do not know how many duplications there are.

I would like the Minister of Finance to tell the House how many calls the government is getting on its hotline and for what kinds of information about the GST Canadians are asking.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is a very perceptive question which the hon. member has asked.

In fact, since our 1-800 number was put in, in early August, we have had over 100,000 calls. In recent weeks we have had as many as 7,500 calls in a day. So there is a very large number of Canadians who are interested in getting information. Seventy per cent of the callers who have used our 1-800 number have asked for information about the GST.

I have something here from the member for Ottawa—Vanier. He says that this government does not want to know what you think. The implication is that Liberals do want to know. But then he asks the question: "Are you for or against the GST?" and gives the 1-900 number. But when you call the number you get a recorded voice that does not listen to whether the answer is yes or no—

Some Hon. Members: He called, he called!

Some Hon. Members: Hear, hear!

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AMERICAN EXPRESS

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance or the Minister of State for Finance.

The Minister of Finance announced recently that, contrary to his undertaking of a year ago, the government will issue a banking licence to American Express without waiting to introduce its long delayed financial institutions legislation.

Since American Express, a foreign corporation, is not a bank in its domestic jurisdiction, but rather a commercial corporation, will the minister confirm that the government is now saying that a foreign corporation will be allowed to do in Canada what a Canadian corporation cannot do in Canada or, for that matter, in the United States?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, the hon. gentleman knows very well that we neither meant nor said such a thing, nor would we act in such a way. We are dealing here with one of the world's best known financial institution organizations that gets 90 per cent of its resources from financial services and it is already operating in Canada without being regulated. Surely the member will agree that there is a lot of merit in having this company regulated.

Furthermore, we have worked on this for well over three years. In mid 1985, we worked very carefully with the Superintendent of Financial Institutions to be sure that it would be within the Bank Act. We are satisfied that they are within the Bank Act.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister knows perfectly well that the central question in this issue is that American Express is not regulated as a bank in its domestic jurisdiction.

The minister knows that in the case of all foreign banks operating in Canada, both the Superintendent of Financial Institutions and the Canada Deposit Insurance Corporation rely upon, and must rely upon, banking information supplied by the foreign jurisdiction to regulate the foreign bank here in Canada.

Since American Express is not a bank in its domestic jurisdiction and since, accordingly, the United States government cannot supply the necessary information, can the minister explain to the House how the government proposes to regulate American Express in Canada?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, this is precisely the point. American Express will be regulated in Canada. We have also asked them to provide us with letters telling us their situation and to protect their investment here.

We are fully satisfied that this organization can function properly within the Bank Act. We have followed the guidelines and we will, therefore, proceed with this matter.

GOVERNMENT EXPENDITURES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. On December 15, 1989, the minister responsible for the Treasury Board announced several cuts in government programs.

For instance, he indicated that the photo lab of the Canadian Centre for Exhibition was to shut down. On the same day, 93 people received lay-off notices. The government also announced that it would sell two of its Challenger jets that are so often used and even abused by cabinet ministers.

As of last Friday the government had done absolutely nothing to dispose of those jets. Why is the government so quick to cancel everybody's else programs and so slow when it comes to cutting its own benefits?

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as you know, the fiscal year ends on March 31. The two Challengers will be taken out of service, and the appropriate procedure followed. In the circumstances, there is nothing out of the ordinary about the present procedure.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it is quite obvious the ministers opposite have no intention of taking commercial flights with the rest of us Canadians who are not so keen on hearing them talk about the GST.

I would now like to put my question to the Deputy Prime Minister himself, today's Acting Prime Minister. When will he implement his ministers' own statement? Doesn't he think his government lacks credibility when it advised civil servants of their lay-off a mere 24 hours after announcing the program cuts on December 15 last year, while months later, nothing has been done about the planes? It has now been four months, and nothing has been done about getting rid of these planes. When will the government finally make good on its commitments?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, with respect to the Challenger jets, one of the reasons that this government is able to dispose of two Challenger jets is because we have reduced the use of them by 37 per cent from the days when the Liberals used them.

* * *

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Deputy Prime Minister. I would like to ask him about some comments made by the Prime Minister on his recent trip to Mexico.

As the government is aware, thousands of jobs have been lost along the U.S.-Mexican border through the Maquiladora program where jobs that were paying $12, $14 or $16 an hour are now being done by Mexican workers at $1 an hour. The products are then imported back into the United States. Questionably some of them may even return to Canada.

In light of those thousands of jobs lost and that trade agreement affecting the Maquiladora program, is it the government's policy to pursue a free trade agreement with Mexico?

• (1450)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. member, as usual, is talking through his sombrero. There have not been thousands of jobs, or any jobs, lost with respect to the Maquiladora area, for the simple reason that under the U.S.-Canada Free Trade Agreement, if the hon. member had read it as I have—

Some Hon. Members: Hear, hear!

Mr. Crosbie: If the hon. member has read every jot and tittle of the agreement, as I now have, he will see that there has to be a certificate of origin. The goods have to originate in the United States or in Canada to be admitted under the free trade agreement at the duty rates that are provided.

With respect to Mexico, there are no negotiations under way for a free trade agreement between Canada and Mexico, but we are attempting to improve our trade with Mexico, and the Prime Minister has just had an astoundingly successful visit in Mexico.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I asked for the Deputy Prime Minister and I got

a Mexican jumping bean instead. And I am not alluding to any methanol or to the potential consequences.

I would like to ask a question of any one of the ministers who wants to deal with this question, through the Deputy Prime Minister. The Prime Minister has said that 200,000 jobs have been created by the free trade agreement and 25,000 of those jobs were created last month alone. When the Minister for International Trade was at the committee he could not list one single job that had been created by the free trade agreement.

Is the government now prepared to table, in detail, all of the 200,000 jobs that the Prime Minister says have been created and, specifically, the 25,000 jobs he said have been created in the last month? Will it table the information in this House?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, all we need to do is refer to an impartial third source with respect to the value. I will not even cite the Prime Minister as an impartial source. All we have to do is refer to an impartial third source. We have just had a report from the Japanese mission to Canada, led by the president of Mitsubishi, who says that Canada is a much more attractive place for investment as a result of the U.S.–Canada free trade agreement. I can cite any number of plants which have expanded—

Some Hon. Members: Table them!

Mr. Crosbie: Someone should table the hon. member and perhaps we would get some sense out of him in that case.

Mr. Girve Fretz (Erie): Mr. Speaker, my question too is for the Minister for International Trade. The minister will be aware of an article which appeared recently in *The Globe and Mail*, which described this as a "new era" in relations between Mexico and Canada.

In keeping with this government's enviable record of enhancing Canada's reputation as a trading nation, would the minister explain to the House the significance of the agreement signed by the Prime Minister recently, particularly in light of the fact that there was a 25 per cent increase in trade between Mexico and Canada in 1989?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is unusual to hear a rational and sensible question asked in the House.

An Hon. Member: Did you write it out?

Mr. Crosbie: It is hard to compete with the barrage of barracking that comes from the hon. gentleman in the New Democratic Party. That substitutes for brains and elocution. It is just a lot of noise from the hon. gentleman.

The Prime Minister actually said that a free trade zone—now listen gentlemen, please—involving Canada, the United States and Mexico may be only a decade away. So it may be a decade or it might be a bit longer.

There was signed in Mexico the new framework for trade and investment consultation as well as a customs agreement. And MOUs on agriculture and forestry co-operation are designed to facilitate increase in trade in both directions.

That is the effect of the agreement signed and I am glad that the hon. gentleman is interested in what was signed, and not in a lot of specious rumours that are repeated by the hon. gentlemen of this House.

* * *

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister. Press reports say that the Deputy Prime Minister met with the Canadian Bankers Association to talk about the serious financial crisis facing Canadian farmers this spring. Many banks are refusing to give loans based on the farmer's equity in his farm and are only giving loans based on cash flow considerations. Many crops are priced so low this spring that there is no cash flow.

Was the Deputy Prime Minister able to get some kind of commitment from the Canadian Bankers Association that they would provide production loans for farmers to plant their crops this spring based on an equity basis rather than cash flow? Was he able to get any commitment like that last Thursday?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. members knows, we have set up a federal-provincial monitoring committee to assess the situation and that report has been made. We met with the banks to talk about the current debt

situation, particularly as it applies to the province of Saskatchewan. The premier of Saskatchewan was there as well. We talked about a number of possibilities and options that might be considered.

All I can say to the hon. member is that it was agreed that the problem is one that will require a joint solution. It will require the close co-operation and participation of various components within the agri-food industry including the banks, the Farm Credit Corporation, the provinces and the federal government.

I can assure the hon. member that we are working very hard on this particular issue at the present time having regard to the fact that the period for seeding is not too far in the future. The deputies will be meeting later this week and the ministers of agriculture will be having a meeting later this month. Hopefully by that time we will be in a position to announce something in a more specific vein.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Deputy Prime Minister and the Minister of Agriculture have known since last November that this financial crisis was upon us. Groups like the Saskatchewan Wheat Pool, the Ontario Corn Producers and others have been demanding a special response. The Minister of Agriculture has outlined all the players who will have to co-operate in this. The minister's own department has suggested that provinces like Saskatchewan will have a negative net farm income, the worst situation since the 1930s.

Can the minister clarify exactly when is he going to announce a special response from the federal government, an interim agriculture stabilization payment, a special grains programs or funds well before seeding takes place. Can the minister give that indication right now?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I just indicated to the hon. member and to the House that last December we set up this federal-provincial monitoring committee to look at all details and all aspects of the current cash flow situation, debt problem and income support systems.

As he knows as well, there is some long-term policy review, specifically in the safety net issue and that work has been accelerated. The report has just been received. We are looking at it and we are trying to design a program that will target and meet the specific needs that have been identified by the committee. As soon as that is done an appropriate announcement will be made.

The Acting Speaker (Mr. Paproski): There will be one question from the hon. member for York Centre and also one question from the hon. member for Kamloops.

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NORTHWEST PASSAGE AGREEMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. I want to ask him about the delusions of grandeur he has about this Northwest Passage Agreement with the Americans. The minister said in the House last week three times that Canada's consent was required for all U.S. vessels to pass. That is false. The consent required is limited to ice-breakers. His agreement means, in effect, that other U.S. vessels like submarines and oil tankers can pass without seeking consent.

Is his agreement not a step backward from the long progress to have the Americans recognize our sovereignty?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will let the people of Canada decide what is a step backward.

When the hon. member was a minister of the Government of Canada, Canada exerted no effective control over its Arctic. Indeed, there was no understanding by the Government of the United States with regard to the requirement to seek the consent of Canada concerning the passage of ice-breakers.

The member will recall that as a result of that consistent Liberal failure, there was controversy during the summer two or three years ago. This government acted to end that controversy and took a substantial step forward by concluding an agreement with the United States by which the United States seeks the consent of Canada before there is a passage through our territorial waters by their ice-breakers.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Deputy Prime Minister who will be only too well aware of how deeply the people in Alberta feel against the goods and services tax.

Since Albertans generally feel that their views in opposition to this tax are generally ignored, would the Deputy Prime Minister indicate whether or not the government will permit members from Alberta to reflect their views and oppose the tax if they so wish?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what the hon. member should know is that the people of Alberta are wondering what sort of an alternative the NDP would provide and what alternative the Liberals would provide because to date they have provided nothing.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to several petitions.

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

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PRIVILEGES AND ELECTIONS

PRESENTATION OF ELEVENTH AND TWELFTH REPORTS OF STANDING COMMITTEE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present the eleventh report of the Standing Committee on Privileges and Elections, and also the twelfth report of that same Standing Committee.

I intend to move concurrence in the twelfth report at the appropriate time by unanimous consent, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Does the hon. member for Kingston and the Islands have unanimous consent to move the motion?

Some Hon. Members: Agreed.

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

CONCURRENCE OF TWELFTH REPORT OF STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I should like at this time to move concurrence in the Twelfth Report of the Standing Committee presented this day.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

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PETITIONS

GOODS AND SERVICES TAX

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, as we heard earlier in this House today, 70,000 Canadians phoned the 1-900 number objecting to the goods and services tax even though it was reduced to 7 per cent.

When I go to my riding every weekend I am flooded with more petitions asking the government to abolish and reject the proposed goods and services tax at the 7 per cent level.

QUEBEC BILL 178

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I present a duly certified petition from 36 constituents who are concerned that the rights of Canadians are hurt by Bill 178 in Quebec. The petitioners are asking the government to use its power to disallow Bill 178 in the Province of Quebec.

GOODS AND SERVICES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition from a number of constituents throughout Manitoulin Island, including Gore Bay, Manitowaning, Little Current, North Bay, Sudbury and Kagawong objecting to the goods and services tax. This is in addition to the 70,000 phone calls that were made last

week during a seven day period opposing the goods and services tax.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I too have the pleasure and honour to present petitions to the House which are against the goods and services tax.

These petitions, pursuant to Standing Order 36, have been certified correct as to form and content. They state that this is a regressive, invisible and harsh tax which will be a terrible burden on all Canadian taxpayers. I want to point out that all of these petitioners are from western Canada, including many from my own riding of Winnipeg St. James.

Mr. Joe Fontana (London East): Mr. Speaker, we have had 70,000 calls, and 600,000 petitions submitted to the House.

It is my honour to present another 500 names to add to those 600,000 against the GST, and more and more are coming. The petitioners ask and plead with the government to scrap its ridiculous idea of having this insane tax.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have at least eight petitions signed by Canadians opposing the imposition of the goods and services tax on January 1, 1991.

These people believe strongly that this will affect low-income Canadians, that it will be an unprecedented tax-grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment.

The undersigned petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure and an honour to present a petition on behalf of a number of petitioners from London, Stratford, Calgary, Toronto, Kitchener, Victoria and Vancouver.

The petitioners are opposed to the government's goods and services tax. They point out that it is an unfair form of taxation because it ignores the person's ability to pay that tax and they point out that in Canada taxing home heating fuels is a very regressive way to proceed. They ask the Parliament of Canada to do what it can to have the government back off from this tax initiative and go back to the drawing board and come up with something that is real tax reform, something that is fair, equitable and just for all Canadians.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present on behalf of a number of citizens of Saskatchewan a petition calling for the rejection of the goods and services tax.

I am sure the Minister of National Defence would be particularly interested in these petitions because they are from places like Wartime, Saskatchewan, which is his home, Elrose and Plato, Saskatchewan.

These citizens call upon the government to reject the goods and services tax and put in place a tax which would be fair to all Canadians.

VIA RAIL

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, it is my pleasure and honour to present a petition certified correct as to form and content under Standing Order 36, wherein the petitioners humbly sheweth the government has failed to provide the resources necessary to fulfil its promise of improved passenger rail service, and whereas the government's deregulation of air passenger service has dramatized the need for safe, convenient, economical, rapid and environmentally sound alternative passenger service, the petitioners urge Parliament to maintain, improve and modernize VIA Rail services in those areas of the country where it can provide the better service.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I wish to present two petitions. The first one I add to those previously presented to the House indicating that the people of Okanagan—Similkameen—Merritt are against the goods and services tax. These people are from centres such as Grand Forks, Oliver, Kaleden, Penticton, Naramata and other within that riding.

All of these petitioners are asking the government to cease with this proposal which will shift the tax burden onto ordinary Canadians through a regressive consumption tax.

FORESTRY AGREEMENTS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have a further petition with respect to the forestry resource agreements with the provinces.

People in various parts of my riding and parts of British Columbia are very concerned that this government continue with the federal-provincial forest resource development agreements.

• (1510)

They ask that I present this petition to encourage the Parliament of Canada to renew the important agreement with British Columbia and thereby provide for renewed commitment to restocking our forest land, advancing forestry research, promoting silviculture and assisting the forest industry in developing new products and markets which will provide us with forestry jobs of the future.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to table a petition signed by numerous Canadians who are opposed to the goods and services tax and who call upon Parliament to reject this unfair and inequitable tax measure.

VIA RAIL

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have petitions from various parts of Canada calling on the government to modernize VIA Rail services in those areas where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am pleased to rise under Standing Order 36 to present a petition signed by a number of residents from right across Canada. These petitioners continue to oppose the government's drastic cuts levied on VIA Rail services in this country.

The undersigned signators request that the government maintain, improve and modernize VIA Rail services in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

I submit this petition on their behalf.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased to rise today, pursuant to Standing Order 36, to submit a petition to the House.

The petition is signed by Canadians at the VIA Rail, Kitchener station. It recognizes that the Government of Canada has failed to provide the resources necessary to fulfil its promise of improved rail service in Canada and calls upon Parliament to maintain, improve and modernize VIA Rail service in those areas of the country where it can provide a more rapid, economical, safe, convenient, environmentally sound and energy efficient alternative to other means of transportation.

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QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CROP INSURANCE ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture) moved that Bill C-48, an act to amend the Crop Insurance Act, be read the third time and passed.

He said: Mr. Speaker, I will not be too long. I just want to say that I am very pleased to have the opportunity to commence third reading debate on Bill C-48, legislation to amend the Crop Insurance Act.

I think it is fair to say that the bill has received thorough debate and thorough study at the committee level. As well, it can be pointed out that we have had a very constructive debate at report stage when the government accepted two of the three amendments proposed by the opposition parties.

While we were not able to incorporate the third amendment into the legislation itself, we did indicate that we accepted the proposal in principle, but because it would encroach upon provincial jurisdiction, based upon

legal advice that I have received, the government is not able to incorporate it into legislation. Nevertheless as I undertook during the course of that debate, and I undertake again today, we will, in the process of negotiating the federal-provincial crop insurance agreements, try to incorporate the establishment of advisory committees into these agreements so that they will fulfil the purpose for which the hon. member for Algoma intended.

It is important to point out, and it has been mentioned by a number of members, that this bill sort of sprung up in the middle of the night at a meeting in Prince Albert.

This particular issue has been before the farm community for some time. There has been a comprehensive federal-provincial crop insurance discussion paper. It has been reviewed and many of the points that were brought forth in the course of that review have indeed been incorporated into this legislation. It bears repeating that crop insurance is essentially a matter that falls within provincial jurisdiction and we had to ensure that we had the broad based support of—

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I hesitate to break in on my hon. friend's speech. It is an important piece of legislation from the government's viewpoint dealing with a very important matter. I have to use this opportunity because as I speak there are security people and police in front of the building preventing protesters from representing their views.

I think we agree that people in this country have the right to assemble, to speak their views and I simply want to protest very clearly that this is not a police state, that the police ought not to be disallowing—

An Hon. Member: Order!

The Acting Speaker (Mr. Paproski): I do not find that a point of order. I think if the hon. member would like to discuss this matter further, he should discuss it in my chambers.

I will recognize the hon. House Leader.

Mr. Andre: Mr Speaker, last November 22 at a meeting of the Board of Internal Economy at which the hon. member for Kamloops was present, and every other party was represented, a motion was passed unanimously asking the Department of Public Works to amend the public nuisance regulations to move demonstrators back from the entrances of the House of Commons because of the nuisance and security factor. The hon. member agreed with that position. The regulations came forward and have been in the public domain for two weeks which require a 50 metre distance from any entrance. The hon. member now is playing cheap political tricks. It shows you cannot trust the NDP members to keep their word. We are doing what the member asked for.

The Acting Speaker (Mr. Paproski): This is debate. This matter should be discussed in the Speaker's chambers.

I will recognize the hon. member on a point of order.

Mr. Riis: Mr. Speaker, just to clarify for the record. First, I hope my hon. friend will table the minutes that he has referred to from the Board of Internal Economy. He has read from them, I notice reading *Hansard* of last week.

I want to say that, yes, I was at the meeting when the decision was taken to ask the minister to look into the situation and take appropriate action. That is where the matter ended at the Board of Internal Economy.

We find that this government has stated that it will not tolerate any dissent to this government in front of Parliament unless you are back at least 50 metres.

The Acting Speaker (Mr. Paproski): I recognize the hon. Deputy Prime Minister.

Mr. Mazankowski: Mr. Speaker, as I said earlier, during the course of discussions it was agreed that the crop insurance legislation had to be renewed and improved to provide for a more equitable sharing of federal-provincial costs and to enhance the program to reflect the realities of today and the current decade.

• (1520)

This legislation will reform the act to provide producers with guaranteed protection against losses caused by natural disasters. It will also ensure the best insurance coverage available at an affordable cost to the largest number of producers.

One of the major areas of change modifies the calculations which were used to determine the level of protection producers will be eligible to insure. The current act provides a method of predicting yield based on the simple historical average of a producer or of a geographic area. This method has been considered by producers to be inflexible and even punitive.

Bill C–48 provides new approaches to determine insurable yields and these approaches will take into account the use of new technology by producers. It will also buffer producers' yield calculation for successive losses, particularly in western Canada. We have had a situation where the historical average fell because of successive years of drought and other weather related disasters. I might say that the last three or four years in western Canada, in terms of the levels of precipitation and heat have probably been more severe than that experienced during the Dirty Thirties. So you have a problem of successive droughts where the over–all average is reduced triggering the lower level and thereby the producer does not get what would usually be considered a reflection of his normal crop.

Bill C–48 provides new approaches to determine insurable yield. As I said, the government will take into account, not only the new technology and methods of production, but also this problem of successive losses.

The amendments also allow the provinces to offer qualifying producers the option of insuring low risk crops at a higher level of protection. For example, the farmer could qualify to insure a crop at 90 percentage coverage instead of the current 80 per cent.

The provinces will now also have the flexibility of basing unit prices on market value or on cost of production. Again, this incorporates a very important item that will enhance the over–all operations of the crop insurance program.

Another major change being proposed under Bill C–48 provides for more equitable cost sharing arrangements that recognize agriculture is a shared responsibility between the federal and provincial governments.

Under the current act, the most commonly used formula allows provinces to pay all the administrative costs, while the federal government and the producers pick up the share of the premium on a fifty–fifty basis.

Under these amendments the federal and provincial governments will share all administrative costs and 50 per cent of the premiums. Producers will remain at the same proportion, namely paying 50 per cent of the premium and nothing towards the cost of administration.

This is an approach that most provinces favour in the over–all amending approach, the over–all improvements that we see incorporated in this legislation.

This approach will make the cost to governments more equitable, while at the same time provide for additional federal funding for improved program administration, including more producer education about the program.

I should say here that while the percentage of federal government spending, particularly as it relates to the premium, will be reduced. The federal government's over–all financial support of the program is expected to rise above traditional levels because of the enhancements. That was clearly the trade–off in working through the improvements to the crop insurance program.

Enhancements to the program, combined with increased participation and contributions to administration costs will increase federal expenditures under this program above historical levels.

Another proposed change will strengthen the crop insurance regulations. Regulatory provisions are being rewritten to set out clearly the basis for federal contributions to crop insurance. We got into a bit of that debate the other day where the hon. members were suggesting that because we use the words "up to 25 per cent", there was some concern that that would not be the case. That clearly is the case and it is now accidentally or otherwise enshrined in the legislation.

Special provisions are also contained in the new bill that recognize the importance of diversifying agriculture production. Crop insurance will be available on new and minor crops by easing the yield data requirements for them. I think that is a very important feature as well because we are asking the industry to diversify and to

engage in new crop production and new plant production. This will provide more flexibility again in ensuring that adequate coverage will be available to cover new crops and that they will not be penalized.

The final major change is a special provision to compensate producers when their crops are damaged by migratory waterfowl. This provision recognizes the federal government's responsibility under international treaty to protect migratory waterfowl. The amendments propose to increase the compensation to 80 per cent of the actual value of the crops damaged.

I have been informed as well of the views expressed by the members of the legislative committee on additional ways to improve the program. I will take them into account before proposing regulations to the Governor in Council and in developing federal provincial agreements with each province. The deadline for signing crop insurance contracts is fast approaching. The provinces, as the insurers, have to know precisely what the terms and conditions governing the federal contribution are going to be as of April 1, 1990.

The provinces and Canada's producers would therefore appreciate our expeditious consideration and passage of this bill.

The changes I have described represent major improvements to the Crop Insurance Act. Through Bill C-48, the federal government is giving producers an insurance program that is more comprehensive and flexible. It is what producers want and this what we are prepared to deliver with this legislation.

The Acting Speaker (Mr. Paproski): The hon. member for Saskatoon—Humbolt on a point of order.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I just wanted to point out that we have been unable to get a copy of the bill. Bill C-48 as reported at second reading does not seem to be available in the House and I was wondering whether it could—

Mr. Barrett: Mr. Speaker, I rise on a point of personal privilege.

The Acting Speaker (Mr. Paproski): Ask and you shall receive. Bill C-48 is what you want?

Mr. Barrett: I rise on a point of personal privilege, Mr. Speaker. I have just been questioned by a member of the RCMP for speaking to a citizen who is standing in front of this building —myself, Mr. Bellemare, also a member of this Chamber, for speaking to a citizen. The RCMP came and pushed us out of the way—

The Acting Speaker (Mr. Paproski): If the hon. member would only sit first.

Mr. Barrett: If they did anything wrong, why not take some legal action?

The Acting Speaker (Mr. Paproski): The hon. member for Esquimalt—Juan de Fuca on a point of privilege..

* * *

PRIVILEGE

DEMONSTRATION

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise on a point of personal privilege. As a member of this Chamber I was speaking to a Canadian citizen in front of this House. I was accompanied by Mr. Bellemare whose seat I do not know, but he is also a member of this House.

In the process of discussing with this citizen his complaints about the federal government we were interrupted by RCMP officers who grabbed the citizen away from two MPs, both of us clearly identifying the fact that we were members of Parliament. We told the Mounties that and they still grabbed the citizen away from us.

Furthermore, Mr. Speaker, I felt intimidated by having the Mounties listening to our conversation, moving in on the crowd that was around, pushing their way through, past Mr. Bellemare and myself, seizing the citizen and dragging him away with no explanation to myself or to my fellow member.

This is the earliest possible opportunity at which I could raise this matter of personal privilege. My privileges as a member of this Chamber and the precincts of this Chamber have been violated. I ask the Chair to investigate this and do something in terms of responding to a police action that was violating my rights as a member of Parliament.

• (1530)

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I rise on a question of personal privilege, similar to my colleague from Esquimalt—Juan de Fuca.

[*English*]

Mr. Crosby: He's blind.

Mr. Bellemare: I think if anyone is blind it might be the hon. member from Halifax. If I may, with the indulgence of the bullies facing us, I would like to explain what happened.

The member for Esquimalt—Juan de Fuca and I were having a conversation. We started to speak with one Mr. Kealey, standing in front of the House of Commons across the roadway. We were having a discussion on the accusations that Mr. Kealey was making *vis-à-vis* the government. We thought his accusations were interesting, outlandish and even entertaining.

We were having a good conversation when all of a sudden at least four very huge RCMP officers decided that they would pull them away from us. At that point, my colleague and I both identified ourselves as members of Parliament and said that we were having a very civil conversation with Mr. Kealey. Notwithstanding that, they dragged the gentleman away. We tried to intercept without physical force, but by insisting we were members of Parliament, and that we would complain if our rights—we do not know what wrong Mr. Kealey had done—were affected at that point as members of Parliament wanting to have a conversation with a private citizen who had not yet been arrested for anything. I then asked the name of the person in charge as they arrested the gentleman and put him in the car. I would like, with my colleague, to identify this officer as Inspector McCallum who was absolutely uncivil to members of Parliament.

Mr. Cooper: Then why don't you lay a charge against him?

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I stand as well on a matter of privilege. It relates to the same factual sequence as was described by my colleagues.

Just to be specific, I attempted to speak with the Roman Catholic priest who was taken away by the RCMP. I was advised by the RCMP that the priest was not under arrest. However, he was in a police car and when I made some move to approach the car and speak with the priest, I was advised that I may not touch the car. I discussed it with the police officers and decided it would be better in terms of discretion not to provoke an incident and I let the matter rest. Subsequently, in front of me, the priest was physically taken away and the Mounties then advised that he was under arrest.

This raises a very serious matter involving the right of free speech. In particular, it involves my privileges as a member of Parliament to be accessed and to be able to speak freely with individual Canadians who are on these precincts and who are not under arrest. I am not critical of the RCMP in the way that they may have carried out their functions this afternoon. If they had a job to do, that may have been the only way they could have done it. However, I am very critical of the regulation that has been passed. I suggest to Your Honour that what is taking place under the regulation in the Public Works Act and what is happening out in front of the House of Commons now is a breach of my privileges as a member and of the privileges of every other member of this House.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I want to read from the minutes of the Board of Internal Economy meeting of November 22, 1989. In the Chair was the Hon. John Fraser, Speaker of the House of Commons. Those present were the Hon. Robert de Cotret, Herb Gray, Robert Layton, Doug Lewis, Messrs. Jim Hawkes and Nelson Riis. Mr. Marleau, Clerk of the House, Major General Cloutier, Sergeant-at-Arms, Mr. Riedel, Administrator and Steven Ash, Principle Secretary to the Speaker, and Secretary, Mary McDougall.

This committee does not take formal votes. It acts by consensus, and the experience, as I am told—I am just a new member of the committee and was not a member at that time—is not to act if there is strenuous objection from any of the major parties. My colleague, the hon. member for Ottawa—Vanier, nods in concurrence.

According to the minutes, it was agreed that the Speaker would send a letter to the Minister of Public Works requesting that the Public Works nuisance regulations be amended to permit the Minister of Public Works to designate specific areas on Parliament Hill for holding

demonstrations and other activities, and to allow the minister or a peace officer to prohibit or evict any persons not complying with this order.

Based on that decision by the Board of Internal Economy, on December 1, 1989, the Speaker wrote the following letter to Mr. Elmer MacKay, Minister of Public Works. It states:

> I am writing to convey to you the concerns which have been raised by the Board of Internal Economy regarding the presence of demonstrators at the entrance of Centre Block, particularly the West Door.
>
> The board discussed the possibility of designating areas on Parliament Hill where demonstrations could take place. The Members agreed that I write you on their behalf requesting you consider amending the Public Works Nuisance Regulations in such a way as to restrict demonstrations, marches or public gatherings to areas specifically designated for such purposes. I understand this could be done by adding to Section 6 of the Regulations a paragraph similar to the following text:
>
> > (3) No person shall participate in a demonstration, march or other public gathering upon any public work, except in those areas specifically designated for their purposes.
>
> This change would thus allow the RCMP to enforce directives as to the location of any demonstration.
>
> It is not the intention of the Board to limit access to Parliament Hill by the public but the Board is concerned that Members and staff have access to the buildings, free of harassment and confident of their safety.

Let me repeat that: "—the board is concerned"—this board of which I was not a member, but the member for Kamloops was—, "is concerned that members and staff have access to the buildings, free of harassment and confident of their safety".

The letter goes on:

> I would, of course, be more than ready to discuss with you further should you wish more information.
>
> Sincerely,
> John Fraser,
> Speaker of the House of Commons.

I will not read all of the regulations, because they are lengthy, but based on a unanimous decision of the Board of Internal Economy, with all three parties represented, the Speaker was requested by this group to write to the Minister of Public Works to promulgate regulations, of the sort the Minister of Public works did. They were out there two weeks ago. There were no objections from any member of this House or from any party to these regulations. They are now being enforced by the RCMP.

I have no idea whether the RCMP is exercising proper judgment or whether it is going too far, but I strenuously object to members of this House now standing up and screaming in indignation at the results of an action for which their leaders asked. They are in contempt of the Chair.

Mr. Barrett: The citizens are free to talk to anybody at any time.

The Acting Speaker (Mr. Paproski): I think that we should carry on with debate in the House—

Some Hon. Members: No!

The Acting Speaker (Mr. Paproski): —and I think that what I should do is call upon the Sergeant-at-Arms to make a complete report. I can come back to the Chamber, if not today, then tomorrow or the next day, to give a complete report to hon. members. I think that this is where we should cut off debate in this respect, and carry on with debate in the House, so that I can get the Sergeant-at-Arms to make a complete report to the House.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I rise on a question of privilege.

I have just been made aware of what took place on the Hill, and the information we do have is vague. You may wish us to proceed immediately and wait for a report from our distinguished Sergeant-at-Arms, but I have colleagues here who were witnesses to the events which took place. I want to be on the record.

• (1540)

I wish I had been there to see any RCMP officer either take away a paper from me that someone had given me, or ask someone to move along some feet away when we are not aware of these rules. If such a rule was passed, all members of Parliament should be made aware of it.

An Hon. Member: No such rule was passed.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): I would like to bring this to a conclusion. I will ask the hon. member to complete his point of privilege.

Mr. Prud'homme: Every year people come to demonstrate for good causes. With all due respect to the Board of Internal Economy and whatever wishes it may have

expressed to the Minister of Public Works who then issues certain regulations, I think that on the Hill, members of Parliament should be made aware of what is going on. We should know the rules. We should not be informed outside suddenly that there is a new rule.

As annoying as some people may be for some members on the Hill, it is totally relevant as far as I am concerned, if there are going to be new rules—

Some Hon. Members: Oh, oh!

Mr. Cooper: Nelson, you're part of the process, you should be ashamed.

Mr. Riis: Don't tell me to be ashamed.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Mr. Speaker, I do try to be cool on these questions but if hon. members want to study Parliament, I will tell you how disgusted I am. I just finished visiting inside Parliament. Suddenly, out of nowhere, on the Senate side you see spotlights on the sixth floor, the fifth floor, the fourth floor, the third floor, the second floor and at the main entrance. I believe in security, but I like to know how far this will go.

Members involved should be told. With all due respect, we should be told. If a new regulation is made, it should be discussed in the open and we should not be told by somebody else, a third party. I am not blaming the RCMP who, if they have a new regulation to enforce, are enforcing it. Fine! I am not going to blame these men or women in the RCMP. The one thing I would like to know is what the new rule is. Members should be made aware officially, so that if we wish we can disagree.

If Mr. Speaker was in the Chair, I would say that he should immediately suspend the new regulation until we have a debate on the question.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise on a question of privilege.

I was witness to the events that just took place outside. As a member of Parliament, I was aghast at what was taking place outside the peoples' house, the House of Commons. When I and my colleague next to me went over and spoke to the RCMP officers, the question was raised if whether or not the new regulation that has been passed to the Public Works' nuisance regulation, affected me as a member of Parliament. If I wanted to pass out pamphlets outside the House in my crusade against the GST, could I be arrested? I was told that, yes, the regulation that was passed equally applies to me, as a member of Parliament, as it does to any other member of the public.

The point of privilege I am raising is that this particular regulation, I believe, infringes upon my rights as a member of Parliament to do my job and to demonstrate for or against, both inside this place and outside this place, and that means outside the door. I would ask the Speaker to look into this particular aspect.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I hesitated to take part in this discussion because I was not present at the meeting of the Internal Economy Committee that night. It was one of the few meetings that I did not attend during the year.

I think that the Chair should keep two points in mind. First of all, on the subject of jurisdiction, I think it is difficult to decide whose jurisdiction we are talking about. The privileges of members here in the House of Commons are protected by the Chair. We were always told that outside, on Parliament Hill, Public Works, the National Capital Commission or some other public body had jurisdiction over people's behaviour. Of course, the RCMP enforces the law of the land and I have nothing against that.

There are still two issues that must be dealt with.

[*English*]

The right of members of Parliament to address citizens on the Hill is the first question I hope will be resolved today. We have to address that question. We have an example today involving the privileges of a lot of members to speak and to discuss with Canadians on the Hill matters of mutual interest. Whether or not they knew about the regulation or not is not my point.

These members apparently did not know about this regulation and were speaking with somebody who has been there for some months. He was giving us in Parliament the message he gives every day. That is, yelling certain things to members of Parliament as they enter the building. That is not the point.

These people were talking to a citizen of this country. In my view, we have to settle that point by asking

ourselves: Were their privileges as citizens, and their right to free expression somewhat impaired by the actions of the police? That is the first question.

The second one involves the Board of Internal Economy. The House leader for the government read into the record the minutes of a board meeting. The board asked Public Works Canada to look into the amendments of the regulations affecting conduct on Parliament Hill. They did not come back to the board with the regulations. It was news to many people last week that the regulations had been promulgated by Cabinet.

Regulations are non-discretionary. They must be clear and, as far as I am concerned, they must be without a doubt, interpreted by all people so that we have no difficulty in assessing exactly what is meant.

In this we may have an example of some regulation we could look at. I would probably recommend to the Speaker that this whole thing should be referred back to a committee for a full investigation of: (a) the rights of members of Parliament on the Hill to talk with people; and (b) can we not look at these regulations with a way of adjusting them so that all people concerned would understand what is going on.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, that is a very good suggestion from my colleague, the member for Ottawa—Vanier.

As I have indicated, and I have quoted from the minutes, all that happened was that the Speaker, acting on behalf of the Board of Internal Economy, asked for amendment to the regulations. The regulations were amended and apparently they are being enforced. If what I hear is correct, they are not being enforced in a manner that I would find acceptable. They are not being enforced under direction from the government, I can assure you. They are being enforced by the RCMP, in fulfilment of regulations which were asked for by the Speaker.

In many ways, if that request to the Minister of Public Works was out of order or improper, then we are in essence criticizing the Speaker or the committee. I do not think that is proper. The proper decision now would be for the House or the Chair to ask the Board of Internal Economy to look again at its recommendations and to see whether the request made to the Minister of Public Works was complied with properly. We should treat the matter in that fashion. Otherwise, we enter into a situation where I would be very reluctant ever, in the future, to act on the kinds of request the Board of Internal Economy might make. A fundamental recommendation of the McGrath Commission to involve the opposition in the administration and with membership on the Board of Internal Economy would be put into jeopardy, and that would be an error.

Mr. Riis: Mr. Speaker, I rise on a question of privilege.

• (1550)

The Acting Speaker (Mr. Paproski): There is another point of privilege. This is going to carry on all day. I would like to recognize the hon. member for Kamloops on a point of privilege.

Mr. Nelson A. Riis (Kamloops): Thank you, Mr. Speaker. My point of privilege is twofold. The government House leader has indicated that I cannot be trusted because I do not support what the government is doing.

Mr. Hawkes: He did not say that.

Ms. Mitchell: He did say that.

Mr. Cooper: Tell the truth.

Mr. Riis: What he has done is read very clearly—

Some Hon. Members: Oh, oh!

Mr. Riis: Mr. Speaker, if I may have an opportunity to respond. First, I would expect the minister to table the document from which he has quoted. Beauchesne calls for that. I would hope he would have the decency to do that.

He read from the Board of Internal Economy minutes where the board instructed the Speaker to seek amendments to regulations, which he did, on behalf of the board. Presumably, the assumption was that, if there were going to be dramatic changes in the nuisance legislation, dramatic changes in the legislation that would keep people away from Parliament Hill, then that would come back to the Board of Internal Economy. That would go to the Members' Services Committee or come back to the House of Commons.

I noticed with interest that there were people consulted. The RCMP were consulted. The Department of Justice was consulted and, of course, the Department of Public Works. But members of Parliament were never consulted, including those that sit on the Board of Internal Economy. They were not consulted on the

details of what the Minister of Public Works planned to do.

Today, we have two issues before us. One is the fact that the government has moved expeditiously, without any consultation with members of Parliament or the caucuses of the various parties as to the specifics of these changes.

We also noted that the request of the Speaker was that there be areas designated clearly to promote demonstration, to encourage dissent, and to encourage people to speak their views. What we see is a zone declared to remove people. That is one point.

The second point is that members of Parliament were not allowed to speak to Canadians in front of the Parliament Buildings of Canada.

Mr. Barrett: That is my point.

Mr. Riis: The police moved in and said: "We will not allow these discussions to take place".

Mr. Hawkes: Did you see them? Were you there?

Mr. Riis: This is not a police state. Eastern Europe has been moving away from this type of tactic.

Mr. Barrett: Are you calling me a liar?

Mr. Riis: Now we have the government moving in such a way that police are not allowing members—

An Hon. Member: Repeat what you said, Hawkes.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Boudria: I rise on a point of privilege, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Glengarry—Prescott—Russell on the same point of privilege.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I just want to make one or two brief comments. First, I do believe that what the Speaker should consider is whether or not instructions that he gave were in fact followed in an appropriate manner.

The issue here is not whether the Speaker was out of order, or anything in that regard, as the government House leader insinuated a few moments ago. No one is questioning whether the Speaker acted properly by contacting the Minister of Public Works, after having been instructed to do so by the Board of Internal Economy. It is the result of that communication that we are questioning, not whether or not the communication was authorized or should have taken place. That is obvious. I do not believe that my colleagues are I are criticizing the Speaker for what was done. As a matter of fact, quite the contrary.

Perhaps none of this was intentional, but it is obvious that the government should have got back to Mr. Speaker with what it was that it thought was the solution to the problem, how it saw this particular solution working, and if it was felt by the government that several people needed to be contacted, for example, Justice and a number of others. Members were not consulted and my colleagues were not consulted after that initial action was taken.

The other issue, Mr. Speaker, that you will want to consider is whether this solution offered by the government, adopted in the way that it was, infringes unduly upon the rights and privileges of members of Parliament that have been with us since the action of the British Parliament of 1675. At that time, my colleagues who are familiar with procedure will know that a member of Parliament in the British House of Commons in May 1675, was prevented from having access to the House. At that point the privileges of members of Parliament were invoked. Similarly, my colleagues who were prevented from speaking to a constituent today, I believe, had their privileges affected in much the same way.

Finally, I want to draw to your attention that those regulations refer to disturbances and so on. One person who was removed from the site was Father Van Nee and you will know, Mr. Speaker, that Father Van Nee does not make speeches on Parliament Hill. He has never been recorded to do so, even though he has been there for two years. Father Van Nee is fasting outside the House of Commons. I do not exactly consider his actions a disturbance. He was dragged physically by the police. I tried to talk to him at that point.

Mr. Cooper: Charge the RCMP.

Mr. Boudria: Mr. Speaker, a colleague across the way says to charge the RCMP. I am making a statement in the House of Commons. I was not hired as a policeman. I was sent here by my constituents. If some other members across the way think they should be policemen, perhaps

they should change jobs. Personally I want to stick around this place where I was sent and make this point.

I conclude by respectfully suggesting that the Speaker should contact the Minister of Public Works, have the regulations temporarily placed in abeyance until such time as proper consultation can take place with all members of the House of Commons and most of all, the respective members of the Board of Internal Economy representing the various parties in the House of Commons.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Esquimalt—Juan de Fuca. Then I will recognize the hon. member for Winnipeg North and the hon. member for Hull—Aylmer.

I hope that I would then be able to take this whole procedure under advisement and report back to the hon. members. It is pretty hard for the Chair to come up with a solution for hon. members unless I can check with the Sergeant-at-Arms and all those who are responsible who have taken part in the incident this afternoon. I will recognize the hon. member for Esquimalt—Juan de Fuca on a point of privilege.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to rise again on a point of privilege and clarify specifically what my point of privilege is. I am not talking about the regulations. I am not talking about whatever went on in the Board of Internal Economy. I am not talking about any of that.

As a member of Parliament, I was talking to a Canadian citizen in front of these buildings. I was not finished with my conversation and was joined in that conversation by the member for Carleton—Gloucester. Both of us were in a conversation with a Canadian citizen. In the midst of that conversation, four policemen came in, pushed the crowd away, seized the citizen who was talking to us and ended the conversation abruptly, not willingly by myself or the other member.

I want to make my point very clear. It has nothing to do with the regulations, nothing to do with Board of Internal Economy minutes, but absolutely to do with the simple fact that in the midst of a conversation with a citizen, we were interrupted by police and the citizen was dragged away. When we asked questions of why he was being dragged away, we were given an explanation that he was interfering or breaking some rule that was not clearly defined. The only thing that we could see happening was that he was speaking to us.

I want my point of privilege separate. I do not want it with the committee. I do not want it with the Board of Internal Economy. I want the Speaker to look at my complaint, my point of privilege and I want a separate ruling on my point of privilege.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, Mr. Glen Kealey is one of my constituents in Hull—Aylmer. He was my political opponent in November 1988, so I can hardly consider him to be a militant member of my association.

Mr. Speaker, since the 1988 election, Mr. Kealey has been standing here in front of Parliament, every day of the week, to give vent to his criticism of the government. This is all quite true, Mr. Speaker. Mr. Kealey has been here, with other people, for a year and a half.

However, my concern today is the way democracy seems to be lending itself to a new form of dictatorship, when a person can no longer stand in front of the Parliament Buildings and say whether he agrees or disagrees with the government.

Does that mean, Mr. Speaker, that if a an impressive group of citizens were to stand in front of the Parliament Buildings tomorrow and tell the government it did not agree with the GST, the government or the RCMP could arrest every single member of this group? Mr. Speaker, I think we need some clarification about this procedure. I also wonder whether this is perhaps an exercise in preparing for the post-Meech period, to prevent Canadian or Quebec citizens from coming to tell this government what they think.

• (1600)

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Very briefly, Mr. Speaker, I noted that in reply to the comments made by my colleague, the hon. member for Ottawa—Vanier, the government House leader indicated his concurrence in the suggestion made to refer the matter again to the Board of Internal Economy. I would also like to echo the sentiment of my colleague the hon. member for Glengarry—Prescott—Russell and request the Speaker to require the government to rescind temporarily the regulation in question. In fact, I would like to see the

government voluntarily suspend implementation of the said regulation.

Obviously, we can see that there are a great many concerns being expressed by members of Parliament. I think it is recognized that dissent and freedom of expression are at the heart of democracy. I think this matter should be clarified very quickly.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I am a member of the board. I have listened with a great deal of interest to all the discussion that has taken place here today.

Members may recall that not too many months ago there was a protest on the Hill and inadvertently, I think, the entire roadway was jammed. It made it impossible for emergency vehicles of any kind, ambulances or fire trucks, to make it to these buildings. This put at risk not only the members of Parliament who work in these buildings, but members of the staff, as well as visitors who sit in the gallery.

It was that event which led to the discussion in the Board of Internal Economy and to the request from the Speaker to the Minister of Public Works to pass a regulation that would indeed provide peace officers on the Hill with the authority to keep open the emergency lanes related to roadways.

Members may recall that the regulatory process is a very public process, that there has been ample time for all members of this House and indeed for all Canadians to respond to the proposed regulation. It was raised in this House the latter part of last week on an opposition day. It could have been the subject of debate, if it were a debatable item.

If members look at the regulation, they will find that prominent in the regulation is the notion of 50 metres. Why do the words "50 metres" appear in the regulation? Because it is a distance sufficient to protect the roadways from the point of view of protests so that emergency vehicles can make it to the House.

There are people who have been protesting on the Hill for quite some time, for quite a few months, something which I understand from what I have heard from members opposite. Historically, they have been asked since the passage of this regulation to move about 30 feet or 40 feet to a somewhat different location to be in accordance with the regulation passed to protect fire and safety on the Hill.

If they choose deliberately to carry on a protest in a prohibited area then it is a choice they make. If members of Parliament choose to talk to them in that prohibited area rather than in another area, that is the choice they make. Members of Parliament could invite them into the House at any time and into their offices. They could talk to them in many, many places.

Simply, if a member of Parliament stops in the middle of the busiest intersection of Ottawa, right in the middle of the street, and talks to a constituent, there is nothing in law that would lead you to the principle that the Mounties or whatever police force should not come along and remove them all from the intersection so that you can have the safety which roadways require.

Sitting here I felt that maybe there was not enough background for members and—

Mr. Riis: Did your caucus agree with it?

Mr. Hawkes: —if they were to recall the dangerous situation which led to the discussion and the regulation, they might be less unhappy with what happened out there today. The behaviour of particular officers may or may not have been appropriate. I simply say to the House that we put the whole of democracy and all our lives at risk if we allow protests to take place in areas that stop access of emergency vehicles including ambulances and fire trucks.

[*Translation*]

Mr. Eugène Bellemare (Carleton–Gloucester): Mr. Speaker, I think the comments made by the hon. member who just spoke are totally absurd. I wonder whether he was really there or whether he was dreaming during the incident.

[*English*]

My colleague from Esquimalt—Juan de Fuca was having a conversation with Mr. Kealey with whom I often converse because I find him extremely entertaining and very informative. There are times when I wonder why the federal government is not charging him with something where he would have to put up or shut up on the accusations he makes.

I did not stand in the middle of the street; I do not stand in the middle of streets. I am very much aware of municipal, provincial, and federal by-laws regarding

highway traffic legislation. I was instrumental, for 20 years, in the development of highway traffic legislation. I am very much aware of the law.

I was on the sidewalk. Mr. Kealey was on the sidewalk. My colleague from Esquimalt—Juan de Fuca was on the sidewalk. We were having a very peaceful chat with this gentleman.

There are two points here that I wish to make. There is a regulation, apparently, about which we have not been advised as MPs where people may or may not speak, talk, yell, sing, or pray.

We have been informed that a 110-pound priest was dragged away. I have spoken to this priest many times. He hardly speaks to any one. You must approach him to be able to talk with him. Usually it is the individual who initiates the conversation, never the priest. The gentleman in the front of the building was on the sidewalk.

The point I am making here is: as an MP, Mr. Speaker, when you review this rule, do I have a right to go outside either alone or with a fellow MP, to go on the sidewalk and to have a conversation with anyone without being impeded by the RCMP?

Finally I would like to ask you: during an occurrence, to use the police language, of that nature, is it not the right of an individual, a citizen, let alone a member of Parliament, to ask who is in charge of the police group so that one can address questions to that person? This Inspector McCallum did not identify himself—

The Acting Speaker (Mr. Paproski): The hon. member brought that to my attention initially. I appreciate his comments. The hon. member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I think this dialogue is interesting. I would like to ask the Speaker to take this whole matter under advisement.

However, there is one point that bothers me, and some of my members here who have not spoken today would like to get involved in it. It is this point: members who were outside were asking the police forces whether if they had spoken or if they were going to circulate documents, would they be arrested and the police officers told them yes.

I do not think that is the interpretation of the regulations that we wanted to put forward. I do not think any member of Parliament should be prevented from doing his duty. I do not know if the police officer who was there knew exactly what he was saying when he told several members of my caucus that indeed if they circulated material or spoke out against government policy at that time they would be arrested. I think that is totally out of the present discussion. It should be clarified for all people that we as members of Parliament have a right to situate ourselves against this government without harassment and without being put under any duress.

• (1610)

Mr. Andre: Mr. Speaker, first, I want to make it clear that the regulations that my colleague, the Minister of Public Works, promulgated are the closest reflection he could find to the request made by the Speaker. The intent is to make it possible for members to get to the House of Commons.

My colleague, our party Whip, reminded me that at the demonstration last fall which led to this decision Parliament Hill was jammed up with vehicles and members of the opposition rose on questions of privilege, saying that this congestion prevented them from reaching the House of Commons. In fact the decision of the Board of Internal Economy was brought forward because of questions of privilege from opposition parties about the congestion caused by the demonstration.

I am curious as to how come the RCMP should show up at the same time as several members of the opposition were talking to people out there, when there were television cameras and so on. If I were suspicious I might think it was a set up for the purposes of the national news tonight. I do not know. I am curious as to why that might have happened.

In any event, I think the suggestion of my hon. colleague to have the Speaker take this matter under advisement is well made. I agree with it.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I was a witness to the events. I was also a witness to the first incident that the hon. member for Calgary West indicated caused the problem of congestion on Parliament Hill.

The congestion was actually caused by holding up the cars, by not allowing them to go through in the normal vehicle flow. Members of Parliament were restricted

from coming to the Hill because they were in taxis and the RCMP had ruled at that time that taxis were not allowed on the Hill because it was thought that they were also in the demonstration.

With regard to today's incident, I am very concerned because it does have some very serious implications for freedom of speech. I was one of the members out there who asked the RCMP a question about my duties tomorrow, that is, if I wanted to distribute literature. I was told that it would be illegal in their interpretation.

The other point I would like to make as to demonstrations is the reason behind the regulations. I am not saying that I am for the regulations. I am definitely against this type of regulation because of what it has done today. When we talk about demonstrations, we do not talk about one or two people out there. We talk about the first incident when we had 400 to 1,000 people out there. In the first incident, the estimates were that there was up to 1,000 people.

Out there today were two individuals. How could they restrict emergency vehicles from coming on to the Hill? How could they restrict MPs from doing their job?

I think the whole process has to be reviewed. With all due respect, the regulation should be suspended until it is dealt with completely.

The Acting Speaker (Mr. Paproski): I appreciate the remarks of all members who have advised the Chair as to exactly what happened here today. I have a couple of issues of privilege to deal with. I think we should report on the role of the Board of Internal Economy. The Chair will take all this under advisement and get back to the House as soon as possible.

I believe that the Chair has heard enough as far as debate is concerned in this regard.

Mr. Riis: Mr. Speaker, I rise on a point of order. I asked the government House Leader if he would table the minutes from which he quoted in his presentation. He indicated he would do that. Has he done that, or does he plan to do that now?

Mr. Andre: Yes, I will, as soon as I find a Xerox.

The Acting Speaker (Mr. Paproski): That is fine. The hon. member for Algoma has the floor on debate.

Mr. Riis: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): If you did not hear the hon. minister, he said he will table the minutes as soon as he can get a copy of it.

The hon. member for Algoma is on the floor for debate.

Mr. Riis: Can he not hand in the copy from which he was quoting?

Mr. Andre: Then I will not have one for my own files. Will you let me make a copy? I keep my word, don't worry.

Mr. Riis: I sense some kind of a cover-up, Mr. Speaker, and I want to get it out in the open.

Mr. Andre: Don't judge me by your friends' standards.

* * *

CROP INSURANCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-48, an act to amend the Crop Insurance Act, be read the third time and passed.

Mr. Maurice Foster (Algoma): Mr. Speaker, with interruptions like that there really will be no opportunity to continue the discussion on Bill C-48.

I should like to comment on the remarks of the Deputy Prime Minister during the course of this debate because he certainly left a number of questions open, in my view. He accepted an amendment last week. As I recall the incidents of last Thursday afternoon, he only accepted one small amendment. With respect to the other one, he was sort of asleep at the switch and the amendment got through without him noting it.

I was disappointed that he did not accept the amendment with regard to the establishment of an advisory committee because the difficulties that we have with climate change in this country are very severe. We have seen literally thousands of farmers in southern Ontario especially, as well as in the three prairie provinces, lose

their farms over the last three or four years because of climatic change. It does not seem to be improving very much. Thus Bill C-48 is a very important bill.

The minister tried to make the argument this afternoon that this matter was widely discussed. It clearly was widely discussed last July by a very large group of farmers from right across the country. They all agreed that the funding should be one-third, one-third, and one-third; it being shared by the federal and provincial governments as well as by the farmers. When the governments of the provinces and the federal government got together in Prince Albert at the end of July last year, there were no farmers there. A deal was struck which essentially cut up the cash in such a way that the federal government is paying 25 per cent, the provinces are paying 25 per cent, and the farmer ends up continuing to pay 50 per cent.

Although we agree with most of the amendments to the crop insurance legislation, this change really negatives the whole bill. Farmer group after farmer group—practically every group that came before us—said that the problem with it was that although the coverage was moving up from 70 per cent or 80 per cent to 90 per cent, the farmers could not afford to pay it.

That is why they were all opposed to it in the national meeting they had in early July. The Canadian Federation of Agriculture, which represents the largest and most broadly based farm group, said in its presentation before the legislative committee about the 25, 25, and 50 formula: "While in some provinces this formula results in a relatively equal tripartite cost sharing of total program costs, in others the producers may end up paying up to 77 per cent more than the federal or provincial governments in their contributions. Uniformity and fairness across the country is essential to a national crop insurance program".

That is why the Canadian Federation of Agriculture and all constituent groups across the country are opposed to this measure. In its final summation before the committee it stated: "As a final note, we would like to point out that in order to increase producer confidence and therefore participation in the program an improved and enhanced program must offer an affordable price. Our members are skeptical of the likelihood of the continuation of an affordable program as it appears that the federal share of crop insurance is being systematically reduced".

I think that is really the problem with the whole of the government's Green Paper. The paper the minister tabled in the House and about which he spends a lot of time talking essentially provides for two main proposals. One is that the government will reduce support programs to agriculture, which is what it has been doing for the last year. Every program that the government is involved in is being cut in one way or another. The only thing that it followed through on was the drought assistance that it promised in the 1988 general election. Last year the budget was cut by some $500 million to agriculture. Crop insurance alone was cut by some $200 million over two years. There is a whole list of other things including advance payments and other programs which were cut.

• (1620)

If we look at the spending estimates which were tabled a month or so ago, we see that drought assistance has been cut by $365.6 million. We see that the two-price wheat system has been cut by $56 million. We see that $42 million in statutory payments on crop insurance has been reduced. Yet there is all this talk about there being improved coverage. There is going to be improved coverage all right, if one can afford it.

If we look at the cost of the program to various groups we see that it is not going to be affordable. Several members from my caucus including the member for Lambton—Middlesex, the member for Prince Edward—Hastings, the member for Kent—Essex and the member for Essex—Windsor met last Friday with a number of wheat, corn and soybean producers. Most of these groups, which included corn producers, soybean producers, fruit and vegetable producers and winter wheat producers were all arguing that the cost of the coverage is simply too high.

For instance, for winter wheat producers, we see the cost of the coverage going from 4.4 per cent to 7.2 per cent. That is just to go from 80 per cent coverage to 90 per cent coverage. That is a 63 per cent increase to move up only 10 per cent in improved coverage.

Likewise, with corn, it is 64 per cent. For soybeans it is a 50 per cent increase. Similarly, for producers of red spring wheat in Saskatchewan, the cost of coverage goes

from 12.6 per cent for 70 per cent coverage, to 19.5 per cent for 90 per cent coverage. We are looking at an almost 50 per cent increase in the cost of the coverage. This type of increase is similar for almost all crops.

Although the bill provides for improved coverage, nobody is going to take it. That is exactly the problem we are facing today. Producers, whether they are corn producers, soybean producers or wheat producers in southwestern Ontario, or wheat, barley and other crop producers in the west, are demanding a special financial aid program. They do not have any of the tools that the American producer has. The American wheat grower today has a target price of about $4 U.S. that he is guaranteed. He has a loan rate of something around $2. He has a deficiency payment between those two figures.

About two weeks ago a couple of members from each caucus in the House met with a group from the Agriculture Leadership Training Program of Ontario. There were some 30 young agriculturalists or farmers who met with members of Parliament and put the argument to us that we hear every place we go in this country. It is that there is no certainty.

The government has taken away the advance payments program, which was roughly the same as the American loan program, although not quite as good. There is no target price and there is no deficiency payment. Nobody knows whether the whole special grains program, although very beneficial, is going to be there. It was triggered in 1986 in the middle of a provincial election in Saskatchewan. Will it be triggered this year? We do not know if there is going to be a provincial election. If we knew there was going to be a provincial election, then maybe it would be triggered, but maybe it will not be.

Mr. Malone: Tell us about the Liberals' special grains program.

Mr. Foster: I believe the hon. member for Crowfoot is talking about the Liberals' special grains program. Back in the late seventies and early eighties when wheat prices were at $5 or $6 a bushel, when we had a two-price wheat system and the cost of production was probably 50 per cent or 60 per cent lower than today, farmers did not need a special grains program because they were immensely better off than they are today.

We had the spectacle a week ago Monday night with the Premier of Saskatchewan, who is also the Minister of Agriculture, pleading on province-wide television for financial support from the federal government. He had already met with the Minister of State for Grains and Oilseeds and the Deputy Prime Minister. He has probably discussed it with the Prime Minister, yet he has to go on province-wide television to plead for support. The Minister of Agriculture had this all laid out for him by the Saskatchewan Wheat Pool last October and November, which was asking for a special injection of $500 million to put the crop in the ground this spring.

Ontario corn and soybean producers have made the same arguments. They are facing the same difficulties, as I told the members of our caucus last week. Yet it goes on month after month: December, January, February, March, April. Farmers just do not believe that there is going to be any special grains program or that there is going to be an interim payment under the Agricultural Stabilization Act. It is just left up in the air. What is going to happen? Nobody knows.

Compounding that problem is the situation we have with the banks. I was in Saskatchewan a week before last meeting with members of the Saskatchewan Wheat Pool from around the Yorkton area. It was the same thing with grain producers in southwestern Ontario last week. The banks are essentially closing down Canadian agriculture. They will no longer lend money on the basis of the equity the farmer has in the land itself. The only basis on which they will lend money is on a cash flow basis. As I have already said the price of many grains—wheat, soybeans and corn—is below the level where they will have cash flow. We are caught in this bind.

The minister met with the Canadian Bankers' Association last Thursday night. He tried to reassure us today. It seems to me that the whole thing is so hollow. He is talking about all the stakeholders, all the players in the game—the provincial government, the Farm Credit Corporation, the banks, the lending institutions in this country and the federal government.

How can anybody else in the game take the minister seriously when he is sitting there with the producers demanding financial support since last November and no financial support is forthcoming? Will there be a special grains program? Will there be an interim payment on ASA? Nobody knows, and there we sit.

There is great, great uncertainty. The minister's comments today leave everybody wondering what is going to happen in this situation. Clearly this legislation just provides for more and more *ad hoc* programs because farmers will not use it.

There is another special concern for people from provinces like Prince Edward Island. It is not only the growers who are going to have extreme difficulty in meeting this new program. In provinces like Prince Edward Island they are going to have great difficulty with the provincial government coming up with their share of support.

I believe what is happening in Prince Edward Island is similarly happening in New Brunswick and perhaps in B.C. When we get to the end of the day we see that Ontario opposed it. With Quebec and Newfoundland, previously there really was not a great deal of support. For Prince Edward Island the costs are going from $150,000 a year to $650,000 a year. We are talking about $500,000 in additional costs to that small province with 130,000 residents.

• (1630)

How is the government of Prince Edward Island going to afford that? It is probably praying that the premiums will be so high that the farmers will not take out the insurance, because it does not know where it is going to get the $500,000 additional cost to its small province.

I do not have the figures for B.C. and New Brunswick, but I am sure that they have similar problems. The Deputy Prime Minister talks about this as though it was not a bill sprung on everybody in the middle of the night. It certainly was sprung on those four provinces that are opposed to it. It certainly was not what the farmers themselves asked for.

The angering part of this whole thing is that it is coming at a time when the United States is starting to work on a new farm bill which, we are told, will essentially be the same as the 1985 farm bill, and the United States is cutting its programs. That government is not reducing its deficiency payments or loan rates, but our government is reducing its support for crop insurance, for advance payments and for a whole series of programs, and we are doing it unilaterally.

That is simply not workable because we have to compete with those American producers. We do not have an export enhancement program, although the premier of Saskatchewan is calling for that and it is probably a good idea if we are going to maintain our share of the world market. Our producers do not even have the programs that they had two years ago.

This bill will pass the way it is, regardless of how unworkable it is. The real issue today is whether the government is going to come forward with an emergency financial package. Every major farm organization has asked for it. The premier of Saskatchewan is asking for it and so far there is simply no response from the government even though seeding is only a month and a half away. I want to call attention to this. I do not know how it can be more firmly imprinted on the Deputy Prime Minister's mind and focused more dramatically to get action in this regard.

Clearly, the emergency need for funding is there, but we do need action on the farm debt problem. Last Saturday's *Globe and Mail* illustrates the type of problems that farmers in many parts of the country are facing. In that article, the premier of Saskatchewan pointed out:

> "We're facing economic war in Saskatchewan," he said before meeting with the agricultural committee of the Canadian Bankers Association late Thursday. "Our farms are dying. It's a crisis."
>
> He noted that 20,000 farmers—one-third the entire province—are faced with financial ruin unless they receive an immediate cash bailout of $500 million.

That is the $500 million that he went on province wide television a week ago last Tuesday to demand action on.

The article further states:

> Moreover, he said, they need another $1 billion to tide them over until the harvest this fall and long-term help so they can carry a debt burden that has risen to more than $5 billion.

Imagine, Mr. Speaker, 60,000 farmers carrying a debt burden of $5 billion.

The urgency is for the government to act, yet it refuses to act. It is putting through a farm crop insurance program which is nickeling and diming and which is going to cause a great deal of problems because farmers will not take out enough coverage and we will have to continue on with this *ad hoc* program that is being demanded by the Saskatchewan farmers.

The uncertainty not only rests in grain and oilseeds, corn and soybeans, but in every sector of the Canadian agriculture economy today. If you talk to people who are in supply management, in poultry, in eggs and turkey

production, in the dairy industry, there is tremendous uncertainty. Last week, I asked the Minister for International Trade if he would give a commitment that in the proposal that they are putting before the multilateral trade negotiations in Geneva, Switzerland, this year, they would take the advice of the poultry producers and the dairy producers of the type of access that they would agree to under Article 11 negotiations of the GATT agreement. He gave me the usual non-answer answer. It is absolutely essential that we get a commitment from the government that it is not going to sell out the farmers.

In the free trade deal they did not take the advice. They appointed a special advisory group on international trade, SAGIT, represented by producers, processors and farmers. They made a recommendation that any commodity coming in from the United States, whether it was processed chicken or processed dairy products, that had more than 10 per cent by dry weight or volume of a supply management commodity, would be subject to import controls.

That recommendation of the SAGIT was never accepted. The government went ahead willy-nilly, signing an agreement where the tariffs came down from about 12 per cent to zero over 10 years and essentially gave away the whole supply management structure in that agreement. The Minister of Agriculture said: "Have no fears. We will put all those items from the tariff list over to the import control list and there will be no problems."

That was in January 1988. We knew that there were very serious problems because the chairman of the Senate trade committee in the United States, Mr. Lloyd Bentsen of Texas, immediately complained to Mr. Yeutter, the Secretary of Trade at that time, that this was breaking the agreement, that there was no provision in there, that they would take Canada to the GATT if they put those items on the import control list.

Sure enough, as soon as they put them on the import control list in December 1988, effective January 1, 1989, the United States petitioned GATT to establish a panel to see if putting those items on the import control list was a conflict of Canada's obligations under the GATT treaty. In September or October of last year the GATT came down with a decision stating that they were in contravention and ultimately the government accepted it in early December.

There we were in the GATT negotiations with an incredibly weak hand to play, to say the least. It is hard to see how the government can play that hand, if one looks at the people who are opposed to Article 11 of the GATT. There is our free trade partner, the United States, the trading group that we are associated with, the Cairns Group, and now Professor Worley of the University of Guelph, who is an expert on the GATT negotiations, saying that he thinks the European Economic Community is going to oppose our position as well to strengthen and clarify Article 11 of the GATT.

Of course, there is also the off-hand comment to one of our officials by the United States Ambassador to GATT who stated: "Look, we don't really have to negotiate Article 11. All we have to do is get a couple more GATT panels on the other processed dairy products and we have total access to your market anyway."

• (1640)

While this may sound very complicated, it is very simple to the dairy producers of this country, those who have market-share quota, those who produce milk for the industrial production of processed dairy products, items like ice-cream and yogurt, cheese, skim milk powder and butter. With that border open into the United States, they can easily swamp our market and swamp those producers, many of whom are in the province of Quebec, if the GATT negotiations fail.

That is why I asked the Minister for International Trade the other day if the government would abide by the recommendation of the dairy farmers of Canada, which is to limit imports under the access to our processed dairy products to 5 per cent by value and 3 per cent by volume. That would leave the production of cheese, which has now about 9 per cent access and increase a number of other commodities which have no access now to 1 per cent. However, even 1 per cent is a lot of money. This is a $4 billion business, so 1 per cent is $40 million of access by the United States.

Mr. Speaker, you can understand why every dairy producer, every poultry producer, every egg producer in this country is extremely nervous about those negotiations. Our bargaining position was given away in the free trade deal. Our bargaining position at the GATT is extremely weak. We do not have many friends. Apparently we have the Swiss and the Austrians and some of

the Scandinavian countries with us, but compared to the power and influence of the European Economic Community, if Professor Worley is right, and compared to the United States that has vowed openly to do away with Article 11, and compared to the 11 or 12 countries in Cairns Group, our position is not strong.

That is not to say that we want to see the government not succeed in this, because doing away with the vibrancy, efficiency and viability of the poultry and dairy industry would be a disastrous blow. We would be facing the same kind of demands for financial support from that sector as we are facing in the grain, oilseed and corn crops this year, if we were to lose out in those negotiations.

This bill makes some improvements. It looks good on paper, but the cost to producers is dramatically increased at a time when they cannot even borrow money on the equity they have in their farms. They can only borrow on the cash flow of their crops. Many farmers will not be able to afford the dramatically increased premiums which, in some cases, increased by 60 per cent and in some cases even more than that.

We want to see the government act immediately on the farm debt crisis and the farm financial crisis, because we are talking about the very future and the viability of our industry. We know it may be counter to the government's Green Paper, which is essentially to remove support programs and to make the industry wide open to world markets. We think that they should stop and look at survival of an industry which is facing horrendous difficulties in this coming year. It is an industry that is competitive. Our problem is coping with the international community, the massive subsidies in the United States and in the European Community. It is essential that we look at this from a global point of view. Are we going to have a viable agriculture industry which not only provides efficient food production in this country but provides a vibrant and effective rural community which is essential to the well-being of our country.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise on third reading debate of Bill C-48, an act to amend the crop insurance legislation. To give some background, I would like to spend a few minutes in the 20 minutes that I have available to me to go through some of the international affairs that have affected the world of grain production and the impact that that has had on the farms of people on the prairies in Manitoba, Saskatchewan, Alberta and northern British Columbia, and also as it affects grain production in central and Atlantic Canada. All grain producers producing crops in this country have been affected by the grain wars that have erupted between the two big power blocs, the European Economic Community and the United States of America.

Each war is quite unique. This particular one is centred on a question of who should be a producer of grains for exports in the world, with the Americans taking the position that they should be the pre-eminent exporters of grains and that other countries should be much smaller exporters of grains. In particular, the American viewpoint is that the Europeans really do not have any business exporting grain into world markets. That is an attitude that carries back to the last world wheat talks which failed, whereby the wheat exporters of the world were attempting to set a floor price beyond which countries that were participants in the wheat agreement would not offer grain.

The system of floor prices has been in effect for quite a long time; sometimes it worked and sometimes it did not. When wheat was in high supply, often some of the countries involved in the pact would begin to break the agreement.

From Canada's point of view, it was very often the United States which broke those agreements. It would find ways of offering some grades of grain and some types of grain below the floor price and that would eventually break the price. A number of times in my memory when Canada attempted to abide by the commitments under the International Wheat Agreement and held the price up, the consequence was that we sold very little grain in those periods of time because we were trying to abide by international rules.

I raise this because what we have been facing in rural Canada over the last decade almost, certainly in the last six or eight years, has been a heating up of the dispute as to who should be able to sell grain between the Europeans and the Americans. It got much warmer in 1985 with the introduction of the American farm bill which

had not only the plethora of subsidies that is endemic in the agricultural system of the United States of America, but an additional impetus to exports by including the Export Enhancement Program whereby the United States offers money to potential buyers of grain to buy their grain as opposed to somebody else's grain.

They began by offering incentives in the range of $7 per tonne. More recent sales this calendar year have gone over $20 per tonne. So the war is heating up.

I am a Canadian farmer, as are thousands of others in this country. We can understand the ups and downs of international marketing, and to some extent, even though there is a lot of politics in it, we have learned to accept and live with that. What we find very difficult to live with is when our own government refuses to come on side and be an advocate for us in those grain wars.

We can accept that there are times when other countries will be shooting at us and we will be caught in the crossfire, as we have been between the Europeans and the Americans. It is extremely difficult to accept our own government shooting at us as well. It is bad enough to duck the competition but when your own government starts shooting at you, you start to think that something is wrong. I submit that something is very wrong when, since re-election in 1988, the government has contributed to our misery in rural Canada by taking an additional $1 billion out of the pockets of farmers.

• (1650)

How have they done this? In the last two budgets, programs have been pulled away that had existed for a long time which were of benefit to rural Canada. For example, small programs such as the at and east freight rates encouraged western grain to go into Atlantic Canada, permitted workers in Atlantic Canada to load ships year round, and kept rail line workers busy ferrying grains from the Georgian Bay elevators over to Halifax and Saint John.

There was also a reduction of the crop insurance money that goes into crop insurance, the program we are debating here today. The Government of Canada has decided that it will not supply close to half of the premiums to carry the cost of crop insurance. After Bill C-48 that we are debating today is passed, instead of farmers paying 50 per cent of the premiums and the federal government paying 50 per cent of the premiums, farmers will continue to pay at least 50 per cent of the premiums and the federal government will drop its contribution to 25 per cent and leave the provinces to pick up the other 25 per cent.

That will mean that farmers and rural people will be paying through their provincial taxpayers' pockets. For some of the larger provinces, this will not be too much of a problem. However, in provinces like Saskatchewan and Prince Edward Island where farmers and farming make up a great deal of the economy, taxes will increase quite perceptibly because the Gross National Product of those provinces depends very much on the production of field crops, whether they are potatoes, wheat, or some of the oilseed crops. It will make a big difference to the amount of taxes that provincial taxpayers will put into the crop insurance program.

That is where some of the controversy takes place. In the course of the building of the grain wars, the balance between the amount of money that a farm takes in and the amount that that farm has to spend on personal expenses and business reinvestment has changed remarkably. Up until about 10 or 15 years ago, approximately 50 to 70 per cent of a farm's gross income went out as expenses. In Saskatchewan, the crop insurance program covered 70 per cent of the average long-term yield for that province. If land was producing 30 bushels to the acre of wheat, the crop insurance program would cover 70 per cent of that, which would be something like 21 bushels per acre. This would virtually cover the actual cash outlays of those farms at that time.

Because of the grain wars and the downward pressure on price, most farms are now finding that even the most efficient with good crops have only about 10 to 15 per cent to spend on their own families and for reinvestment in the farm after all costs are paid.

The government's response at Prince Albert was to open up the crop insurance legislation so that the various contracts with the provinces between the federal government and the provinces could include crop insurance that would pay up to 90 per cent of the loss. The idea was to permit farmers to take out enough crop insurance to cover their cash losses if there was no crop.

I have no great objection to opening up the legislation to permit higher levels of coverage. I just point out that it is not going to address the income problem that is out there. Fiddling with crop insurance is not going to be the answer to a problem that is essentially a world price problem.

At one time, we had two sets of programs because we recognized that there were two problems that faced farmers. One was a production problem, for which we had crop insurance. It was not always as adequate as it could be, but the program is there and still will be there after C–48.

On the other hand, we had a price insurance program which went into place through two different sets of legislation. In the Wheat Board area of western Canada, the Western Grain Stabilization Act applied and we contributed 2 per cent of our sales to finance that. The federal government also contributed on a two for one basis. In the rest of Canada, price was protected under the Agricultural Stabilization Act. Farmers in those regions who had crops that were not of the six major grains in the Wheat Board region got coverage without paying premiums.

Anyone who has watched farming policy in the last number of years knows that one of the last acts of the old Liberal government and one of the first acts of the new Conservative government in 1984 was to make some fairly drastic amendments to the Western Grain Stabilization Act, with the idea of paying out a larger payment for a couple of years, on the assumption that the world price problems that were surfacing would go away.

Even when there is no political interference, world price problems generally have a cycle of about 15 years from the low through the high and back to the low. If I had any criticism of the Western Grain Stabilization program, it was that it had too short a vision. It looked at a 10 year period of time instead of the 15, which would have more properly reflected the reality of world price cycles.

After 1984, we shortened that up to seven years with the result that the program is now virtually useless. The fund is in deep deficit. No money is being paid out, and yet farmers needs are still there. That happened because the formula was changed to generate a quick, large pay–out around election time. It did its political job, but it did not do its economic job of evening out farm incomes.

This particular legislation is permissive. As I said earlier, it fails to follow the government's own program of tripartitism, which involves provincial, federal and producer payments on an equal, one–third, one–third basis. Instead, the federal government has taken a quick–fix budget oriented approach to increase coverage which will increase premiums to producers, but the federal government will not increase the amount they pay on those premiums. In fact, it has decided instead to unload that responsibility onto the provinces.

While the federal government proposes to save $90 million in the year that is coming to a close and an additional $110 million in the fiscal year coming into play April 1, the provinces will have to pick that up. For the further coverage that may be possible with the opening up of the program to coverage up to 90 per cent, producers will have to pay extra premiums.

• (1700)

Just to give an idea of what that will mean, we got some figures from some of the witnesses from Ontario who appeared before us. They pointed out that for Ontario right now the average winter wheat producer pays $4.50 per acre for the basic coverage package. The new increased coverage will cost him an extra $1.79. That simply puts his coverage level 10 per cent higher than it was. He goes from an 80 per cent coverage to a 90 per cent coverage in the province of Ontario and that will cost that producer almost $1.80 per acre more.

Had this initiative been carried out on a tripartite basis, where the producer, the federal, and provincial governments paid equally, that extra coverage would have cost that Ontario producer of winter wheat an extra six cents per acre. We can see the dramatic difference that this makes in production costs to producers. For winter wheat, it is almost $1.80 an acre.

If we consider something like tomatoes, where the producer is now paying $41.50, enhancement to the program namely, going from 80 per cent coverage to 90 per cent coverage will cost him almost an extra $35 an acre. Under tripartite it would have cost him an extra $20. So the tripartite system is one that producers had expected and were looking forward to as being part of

the package, and there is some disappointment that that was not the case.

As well, one of the confusing things at committee level was dealing with 10 different contracts. The federal government has a different system of contracting crop insurance with each of the provinces. The rules affecting a producer of commodities like wheat or peas in one province are sometimes quite substantially different from the rules that affect a producer of the same commodity in another province.

For instance, the federal government makes *ad hoc* changes to the contracts that it puts on. Sometimes these are encouraged by the producers in the area, but they are never fair. For instance, at the end of last week there was an announcement about the final multi-year disaster benefit for 1989 to those regions of prairie Canada that had a further continuation of the drought. For some regions it was the third consecutive year of drought.

It would be possible to treat them on a farm-by-farm basis in the province of Saskatchewan because of the kind of crop insurance records and program that we have. We have had crop insurance since either 1960 or 1961, which took over from the old Prairie Farm Assistance Act. The region of the province where I live, which is reasonably well watered most of the time, was the pilot area to start that insurance program. We paid our 1 per cent, not to the Prairie Farm Assistance Act but into crop insurance premiums. Some of us did not have very many losses during that period of time, but it meant that if we did have a loss on our farm, we would get paid for the losses that we had, rather than having to depend on all of the surrounding townships having losses before we qualified.

The government has forgotten those lessons of the PFAA and has reintroduced the multi-year disaster benefit. Even though your farm had a drought for three years in a row and you collected the maximum crop insurance, you did not qualify for the extra 10 per cent coverage benefit unless you were in a municipality that bordered on three other municipalities which make up a district of four municipalities suffering the same disastrous occurrence. If you happen to live in a municipality that is isolated then you are just out of luck. Many people found that they were out of luck and were not able to get any assistance, as a result.

We believe that this particular bill is not entirely beneficial for Canadian farmers. We think it is simply an excuse for the federal government to unload some of its spending responsibility for farmers on to the provinces, and an excuse to charge farmers more for crop insurance. As I said at the beginning of my speech, that is consistent with its move to take more than a billion dollars of extra funds out of farmers' pockets in the last year and a half since its re-election. If the federal government would simply recompense those funds it has already taken out of farmers' pockets unjustly, farming would be in much better shape than it is today.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, last year's budget indicated that the amount to be spent on crop insurance for 1989-90 would be reduced by $90 million—

An Hon. Member: No questions or comments after the first three speakers.

The Acting Speaker (Mr. Paproski): Not for the first two speakers, but for the third one there is a question and comment period. I just want to bring it to the attention of the hon. member that under Standing Order 43, the first two speakers have unlimited time, the third speaker has 20 minutes plus questions and comments. I recognize the hon. member for Saskatoon—Humboldt again on his question or comment.

Mr. Hovdebo: Mr. Speaker, the last federal budget indicates that the amount to be spent on crop insurance for 1989-90 would be reduced by $90 million and a further $110 million decline was projected for 1990-91 fiscal year. This reduced the federal commitment which would equal the share of the crop insurance premiums paid by the provinces to a maximum of 25 per cent.

How will this affect the likely returns for farmers who are collecting crop insurance in the next year? Can it be projected into the pocketbooks of the farmers during the next year?

Mr. Althouse: Mr. Speaker, the $91 billion from last year and the $110 million of savings to the federal Treasury in the coming fiscal year are to be brought about as a result of unloading part of the cost on to the provinces.

If the provinces sign new contracts increasing the amount of coverage to the farmer, permitting contracts which would allow the farmer to increase his coverage from the existing 70 per cent in Saskatchewan up to 80 per cent which was available in the past crop year, and as high as 90 per cent in the province of Ontario, which was,

available last crop year, the federal government is projecting that it will mean higher premiums being paid by the farmers. Between them the federal government and the provincial governments have to match those premiums.

Since the federal government is proposing to save some $90 million last year and $110 million in the coming fiscal year, that means the provincial governments will have to pick up the same amount that the federal government saves. The provinces will be having to raise approximately an extra $100 million as a result of this initiative by the federal government.

Farmers will be paying slightly higher fees if they opt for the higher coverage levels which I think they will be forced to do given the change in the production economics at the farm level whereby close to 90 per cent of the gross sales of a farm go out directly for cash costs.

If the farmer wants to stay in business after having a crop loss he will need crop insurance that will cover at least 90 per cent of his cost. Therefore, premiums will rise at the farm level, and coverage will be up. The main problem for provincial governments will be that they will have to raise quite a bit more money to make up the deficit of the $90 million last year and $110 million this year.

• (1710)

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, will the vegetable growers, fruit growers and non-grain growers be affected in the same way?

Mr. Althouse: Mr. Speaker, we did not get to see all the contracts which exist, but my understanding is that increased coverage will be available to vegetable and fruit growers as well.

The premiums will be somewhat higher. I believe I mentioned tomato growers in southern Ontario having to pay an extra $35 per acre for premiums for that extra 10 per cent coverage. It is a fairly high rate, but given the kind of cost-price squeeze that is affecting farmers now, some of them may be forced by their creditors and their lending institutions to take the higher coverage levels, just for the mutual protection of the farmer and the banker.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate, the hon. member for Broadview—Greenwood.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I feel privileged to have the opportunity to speak to Bill C-48. As I was listening to some of my colleagues speak to this issue, I started to reflect on what has caused this lack of pride that we, as Canadians, seem to have in our agricultural community.

I want to go back to an experience I had in 1986. I was flying to Cuba with our former Minister of Agriculture, the Hon. Eugene Whelan. The Liberals were not in power then and Mr. Whelan was long gone as a minister. I remember, as he was walking to the back of the plane, everyone gave him a friendly greeting, saying that it was nice to have him back. We went on to Cuba where we received a very warm welcome from officials.

One evening I asked the Cuban officials why they had such respect for this man who had been away for so long. One of them said that when they were in need the minister made sure that they had Holstein cattle to help feed the people and when they had fever break out from time to time, Canadian veterinarians would go to Cuba. There seemed to be a sense around the world that Canadian agriculture had a place of pride.

About two months ago, I was in Moscow to speak on an environmental issue. I was amazed by the lineups for food that I saw every morning on my way to the conference. There were lineups of 200 people or 300 people at every food store in the city. These people were afraid that if they did not get to the food stores early in the morning they would not have lunch or dinner. The food that was in these stores made me feel ashamed.

When I returned home I was struck by the fact that I do not think we really give the farmers of this country enough respect or enough time. We have seen a government that has been retreating from its national responsibility over the last five or six years. I am afraid that situation has now reached the farmers.

Mr. Blais: You are always away. You don't know what is going on here.

Mr. Mills: The hon. member says that we do not know what is going on here. If the hon. member watched *W–5* last night, he would know that 50 per cent of that show was dedicated to the farmers of Canada, who are crying out desperately for government, at all levels, to give them some time and attention. Even though I am an urban member, many of my constituents are phoning my office and telling me that we are not giving enough time to the agricultural community of this country.

I admit readily that many constituents do not understand what crop insurance is. I understand that the government is trying to redefine and reshape its priorities and put more responsibility in the provincial hands. At the same time I do not think the government is realizing that agriculture is not a business. It is like a vocation. I suggest, in my humble opinion, that the government does not realize completely the sacrifices of farmers and the the desperate financial shape the farmers of this country are in. If it did I think that we would be spending a lot more time on this issue.

Very few people in this House realize that I have been in agriculture for over 22 years. I do not grow crops but I have been involved and have had an operational farm for over 22 years. Even though I am not involved in it day to day I hear the stories from my own farm manager and our neighbours about how desperate the situation is.

The desperation seems to stem from two or three areas. First, many of our farmers are of an age where they would like to take life a little easier. They see that everyone else in the country has a certain quality of life and that as they get a little older they seem to be able to take things a little easier.

However, in the agriculture community this is not the case. Many of the farmers who are most active in this country today are in their early sixties and some are in their late sixties. This is a tremendous strain for them.

We see that their sons and daughters not wanting to stay on the farms. They are tempted because of the quality of life not to stay in rural Canada but to go to the urban centres. Who is going to carry on these family farms? From coast to coast we are seeing a complete deterioration of the family farm.

I know that members opposite are not designing this kind of a situation. I cannot imagine any man or woman who would want to see that kind of thing happen. The problem is that there does not seem to be an aggressive approach to promoting and enhancing the family farm. There does not seem to be enough awareness in the urban communities of the importance of the family farm and the health of the family farm. There does not seem to be enough communication to the people at large.

Mr. Lewis: He has a hobby farm.

Mr. Mills: There does not seem to be enough communication that family farms are vital to our economy. It is vital in terms of our experts. The hon. member for Simcoe North talks about me trying to give a lecture about family farms—

Mr. Lewis: From Broadview–Greenwood.

Mr. Mills: He knows about many farms in his own community where they are having a very difficult time now, where sons and daughters of those farmers in his own riding are leaving those farms. They are so close to the metropolitan areas that there is a disincentive factor.

An Hon. Member: Welcome to the 20th century.

Mr. Mills: Welcome to the 20th century he says. That is the attitude we get when we are trying to talk constructively about the family farm in this House. That is precisely the problem. This government is so pre–occupied with the retreat from national governments, so pre–occupied with cutting things like—

Mr. Blais: Where?

Mr. Mills: Where? VIA Rail, unemployment insurance, farm programs coast to coast. Cutting back on crop insurance responsibility and adding it on to the provinces. Right now you have disadvantaged provinces—

Mr. Blais: They all agree. The farmers agree. You don't know what you are talking about.

Mr. Mills: There is the smugness and the arrogance of the members opposite when we are trying to make people aware of a group in our society right now wich is crying out.

• (1720)

We are trying to show that we on this side of the House care about the agricultural community in this country. Never before have the farmers been in such desperate straits. There are farm foreclosures day after day. Lines of credit are being cut back.

Mr. Blais: What have you done for the long-term dairy policy?

Mr. Mills: It is an incredible thing for someone who initially, when he came to this House, seemed to show a sense of respect for a community he came from. Now, all of a sudden, those members seem to have all the answers. They do not have all the answers and that is why the agricultural community of this country is in such desperate shape.

The Conservatives are not listening any more. They do not want to listen. They just want their own design, which is a massive decentralization of the national government. The only way we are going to put the agricultural community of this country back in shape is if this Chamber takes some leadership and we start putting some pride and a sense of appreciation back into the agricultural community.

I realize this is a complex issue, and that we must address the debt and deficit. The greatest resource we have in this country is our agricultural community. We in the city as we walk along the Danforth see in restaurant after restaurant plates piled high with food and every grocery store filled with every product one could conceivably imagine. We live in a cocoon in the urban areas of this country.

We are taking our agricultural community for granted. It is time we gave agriculture a higher priority and made sure that we develop policies in this country that will give our farming community a greater sense of respect and appreciation. We have to show them that we in this Chamber really care about their direction and their future. We have to get our youth back on the family farm. We have to make sure that those people out there right now, who are facing increasing difficulty in acquiring new machinery and equipment, know that we care.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I would just like to ask the hon. member where in the world would he ever get the notion, and why would he ever say it, even if he read it in a comic book or otherwise, that farming is not a business?

Mr. Mills: Mr. Speaker, did the hon. member say that I said that farming is not a business? I correct myself. I am well aware that agriculture is a business.

My comment was that it is more than a business. It is a vocation, a part of our cultural heritage, and it is a way of life. That is the point I was trying to make.

Mr. Arnold Malone (Crowfoot): I would like to ask the hon. member to justify how he can say that the government today does not care about farming, when the support for farming has increased 650 per cent from the time the Liberal Party was governing this country.

How can he claim that the Liberals cared more when they did not have drought assistance, a special grain program or the $51 billions that went for support of the farm industry? How can he come to the House of Commons and make the claim that they are somehow more caring for the farming industry, when there is nothing in the public accounts of Canada that would give any documentation whatsoever that that might even be slightly factual?

Mr. Mills: Mr. Speaker, this government has an incredible way of playing gymnastics with figures and percentages. The hon. member says 650 per cent. I do not know whether he is including the sum of money toward drought assistance. I do not know exactly what he means.

I do know one thing. Ask the agricultural community of this country if it has the same sense of pride in its work, in its state, in the general fabric of this country today, compared to 1984 and before. I can tell you that a great number of farmers are not satisfied. They are not happy. They think a lot more can be done.

Mr. Boudria: Mr. Speaker, I want to make a short comment and conclude with a question.

First, I would like to congratulate the hon. member for his speech. It is not often enough in this House that we hear members representing urban areas speak on agriculture. Agriculture is not just a subject that those of us who represent agricultural ridings should speak about, and because all people eat, we should bear that in mind.

During the excellent discourse of my hon. colleague I heard some members across the way heckling. There were insinuations about what an urban member was doing talking about agriculture.

I think all members from both sides of the House should spend more time concentrating on agriculture because it is not just the business of those of us who live in rural areas. I want to congratulate him for taking that initiative.

There is a lesson here that all members of the House should learn. It is to become knowledgeable in agriculture, as my colleague has just obviously demonstrated, judging by the excellent speech that he made. Perhaps other members representing urban areas can do that as well.

I also recognize that my colleague has a keen interest in agricultural issues because of certain holdings and because of his many acquaintances in rural areas. I am particularly glad to see that as well.

I want to ask my colleague about another issue in agriculture. It concerns the general malaise that farmers are seeing vis-à-vis the threat to their supply management systems for the dairy industry principally and, of course, the poultry producers as well.

My colleague will know that the government has signed a free trade deal with the Americans and has made certain promises primarily to the agricultural sector, whereby it would be protected from imports, particularly in area of ice cream and yogurt. The Government of Canada made a unilateral statement in that regard, and that as such, it was in fact the law, knowing of course that there is no such arrangement.

When the government then tried to impose its ruling unilaterally, placing ice cream on the import control list, the Americans appealed to the GATT and won a first round decision, only to find that the Canadian government caved in afterwards.

Does my colleague agree with me that the Canadian dairy farmers need to have their supply management system strengthened and protected by a government which cares about supply management the way the previous Liberal government did? Does he agree with me as well that the government across the way has been caving in to the Americans and failing to support supply management as it should, both with the United States and at the GATT?

The Acting Speaker (Mr. Paproski): The hon. member for Broadview—Greenwood on a very short reply.

Mr. Mills: Yes, Mr. Speaker, it will be a very short reply. Of course I support my colleague, but I want to add that my constituents are demanding that we become knowledgeable about agricultural matters. A group of them worked with one of the agricultural associations over the last two weeks and our next householder is devoted specifically to agricultural issues, because the basic problem we have is that this government is decentralizing to a point where it is hard to develop a national consensus and a national will.

It is only when everyone in the community becomes involved in these problem areas that we can begin to galvanize the country. That is where you get support and that is the only way the agricultural community of Canada is going to get the support that it needs.

Mr. Joe McGuire (Egmont): Mr. Speaker, I am very pleased to speak today on Bill C-48.

Once again the government is persisting in off-loading federal costs to the provinces with this bill. In the past two budgets it has become very evident that off-loading is the main objective of this government. It is as if the people who pay the federal taxes are different from people who pay provincial taxes. It is as if we are talking about two different countries, not two different jurisdictions.

• (1730)

If Bill C-48 is passed, the federal government says it will save $200 million. Taxpayers will not save $200 million. They will pay the same as before, or more. All that is really happening is that a different jurisdiction will pay for the same program, with little or no improvement to the program.

The minister has claimed that all the provinces are agreeing to these new arrangements under Bill C-48. This is not true. British Columbia is not agreeing to this program, New Brunswick does not agree with this program and Prince Edward Island does not agree with the program changes. In fact, Prince Edward Island would be better off under the old program than under these new regulations.

In the past the crop insurance program was cost shared fifty-fifty between the producers and the federal govern-

ment with the provinces picking up the administrative costs. Even with this arrangement, the costs were such that farmers were reluctant to buy crop insurance in my province. With the new arrangements, the producer continues to pay 50 per cent of the premiums with the other 50 per cent divided equally between the province and the federal government. The administration costs would also be shared between the federal and provincial governments.

This new arrangement will increase the cost to the Prince Edward Island taxpayer by at least $500,000. This the province cannot afford to pay. It will definitely be a hardship for our small number of taxpayers.

I was happy to hear the minister say last week, in response to the member for Algoma who has been doing yeoman work with this legislation, that he is prepared to work out a timeframe in the new sharing formula with P.E.I. This is good news and should result in a reduced cost for Prince Edward Island in the short term, but the end result will be the same. In a few years the crop insurance program will cost Prince Edward Island taxpayers in excess of $500,000, which they cannot afford. The net result will be that the new program will be used less than the old one.

The federal government is saying, "Pay now and see what the benefits will be later". Well, the farmers are not willing to do that, nor would anyone else in similar circumstances. This was proven in the changes made to the Advance Payment for Crops Act. The federal government off-loaded again. As a result, no Prince Edward Island farmer is using the provisions under the act. There was absolutely no one available to administer the act in Prince Edward Island and the farmers saw absolutely no advantage for them to use it.

Crop insurance is vital to farmers. It means that if a disaster strikes they will not be wiped out, they can retrieve their costs. But if it is going to be cost prohibitive to join the program, farmers will take their chances and will not buy insurance.

It has been proven in the United States, our friendly neighbour to the south, that unless premiums are affordable and coverage substantial, farmers will take their chances with the weather rather than with the insurance program. Farmers will not take out coverage which, in the end, will see no improvement in their position, whether they take out insurance or not.

Since we, as a nation, cannot afford to see any more farmers going into bankruptcy, it is incumbent upon governments to enhance programs like crop insurance and not just simply to increase costs. The tragedy now being played out in Saskatchewan can happen in other areas of Canada, more so now and in the future because of the environmental instability due to the greenhouse effect, ozone deficiencies and the normal natural weather patterns. I hope the government will continue to be generous to Saskatchewan farmers and will enhance programs for other Canadian farmers rather than make it more difficult for farming to be a prosperous and vital industry.

We have no need to fear American trade action if we are supportive of our own farmers, at least no more than we do now. It is becoming obvious to us that the Americans subsidize agriculture as much or more than we do. It is a matter of semantics as to whether agriculture is being top-loaded or bottom-loaded. The United States is not prepared to allow its farmers to be abandoned to market forces, and neither should we. We should make that claim to the Americans.

There is no reason to dive headlong into a subsidy cutting exercise in order to please the Americans. The Americans will never be satisfied as long as they cannot compete against producers from other countries. If they cannot compete, they believe we are cheating. They believe we must be getting something free, we must be getting some assistance from our government.

As long as we have no common understanding of what a subsidy is, the free trade agreement, as far as agriculture is concerned, is a farce.

To conclude, the minister says the legislation is in provincial jurisdiction. Yet he is changing the program without the consent of the ten provinces. He only has the consent of seven. The act says clearly that mutual consent or five-years advance notice is required if changes are made in the act. This did not happen. New Brunswick, P.E.I. and B.C. have not given their support. In addition, the government changed the spirit of the old act when it changed the requirement that Ottawa obtain the consent of the provinces to a provision which requires Ottawa to simply consult with the provinces.

That is all this government has done—consult. It did not receive the consent of the provinces.

This bill will do injury to P.E.I. and New Brunswick. The objectives and reservations these provinces have should be addressed before the bill is passed.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have a brief comment. On the weekend I had the opportunity to look at the new insurance program as it affects Saskatchewan and the people in our area. The purpose of the bill is to improve the coverage in order that it be more comprehensive for the farmers. It does exactly that. In fact the farmer can choose to increase his coverage up to 80 per cent, in the case of Saskatchewan, if he cares to. He can insure at 70 per cent, as has been the case, or he can insure at a lower percentage.

The cost of the insurance, at least as it affects the farms with which I am acquainted—and I had an inquiry on the weekend specifically on this—is the same as it was last year. If you increase the insurance, of course your coverage is going to be higher. But it is much more comprehensive and it certainly gives the farmer a greater opportunity to cover his operation by insurance.

I spent about one hour with the people who are administering this provincially and I felt very positive about the program. It certainly contains extensive coverage. I have not heard anyone on the opposition side indicate how the program works. As I say, I had a first-hand look at how it applies in Saskatchewan. I do not know how it applies to other provinces because each province has some input on the way the program works in that province.

There was a suggestion made that there was too much centralization. Well, we must realize that farming in Saskatchewan is quite a different situation.

Mr. Mills: Decentralization.

Mr. Gustafson: I believe the hon. member made the comment that there was too much centralization.

Mr. Mills: No.

Mr. Gustafson: Then I misunderstood his comment.

Mr. McGuire: Mr. Speaker, I am getting my information that the program will not be used as much in Prince Edward Island as was the old program from the provincial government itself. It has asked Agriculture Canada to calculate what the new system of 10 per cent deductibility would do to premiums in P.E.I. To this point the federal Department of Agriculture has not come up with the two different sets of figures. However, according to the province's own figures, the changes to this act will act as a disincentive to the farmers in Prince Edward Island. This is why they have been holding out trying to get a better deal for them as compared to other provinces.

It is interesting to note that the proposal that Prince Edward Island, New Brunswick and B.C. came up with, and to which the provinces of Quebec, Ontario and Newfoundland agreed, was killed by the province of Saskatchewan. I am not really sure what difficulty they had with the arrangements that these three provinces were proposing, but they did succeed in negating the progress which these three provinces were making in order to come to a better deal with the federal government under these new regulations. I cannot really comment any further than that.

• (1740)

Mr. Maurice Foster (Algoma): Mr. Speaker, I just want to reiterate the problem that most farmers are facing. I think the Parliamentary Secretary to the Prime Minister had indicated that for an increase of $4,300 you could move from 70 per cent coverage to 80 per cent coverage. Although $4,300 to the Parliamentary Secretary to the Prime Minister is really a drop in the bucket, practically small change, to the average producer it is a very significant increase. This would be on, say, 1,200 acres of wheat production.

Producers across the country, including the Canadian Federation of Agriculture which represented the Pools before the committee, were arguing that if we had a three-way split on the premiums with the farmer, the federal government and the provincial government each paying a third, we could have that same kind of coverage, 80 per cent coverage in Saskatchewan for the $5,700, which was the premium paid for 70 per cent coverage last year. You would be able to move up because you would be splitting it three ways. The average producer will have difficulty paying that extra $4,300 to move up to the maximum coverage which is 80 per cent in Saskatchewan from 70 per cent last year.

The argument we are making is that we are just perpetuating the idea of more *ad hoc* programs. We are trying to get away from *ad hoc* programs but, because the cost of the premium has gone up so much to move to the higher percentage coverage, the government is going to

continue to come up with *ad hoc* programs such as they need in Souris—Assiniboia and in Brandon—Souris.

They need a special drought assistance program this year because the drought there is worse than it was in 1988, which was the worst year since the thirties. By passing this law now without reducing the price of the premiums, we are perpetuating the need for more *ad hoc* programs, such as we do need in Souris—Assiniboia and in Brandon—Souris this year.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I noticed that in his comments the hon. member for Egmont pointed out that this particular proposal was unacceptable to Prince Edward Island, New Brunswick and the province of British Columbia.

Could he inform the House whether the existing contracts in some or all of those provinces are such that coverage will be on the basis of existing law or whether the federal government will force these people into signing new contracts under the new legislation, Bill C–48?

Mr. McGuire: Mr. Speaker, it is my information that the implementation of these regulations by federal government will include every province of Canada, whether or not they agree with the specific regulations that we are passing here today.

The minister also said last week that he is now working with New Brunswick and he is going to continue to work with Prince Edward Island to work out specific details on a slightly different arrangement. How quickly this is going to happen I do not know, but as of April 1 the province of Prince Edward Island will be required to change over the administrative apparatus at its own cost and have it implemented in 1993.

Again, the costs are being put on the provinces to make the changes but specifically I hope that the changes Prince Edward Island, New Brunswick and the federal government will finally come up with will save the producers of Prince Edward Island some money and will make it more attractive for the farmers there to participate in the program.

The Acting Speaker (Mr. Paproski): The hon. parliamentary secretary cannot direct a question to the hon. member for Algoma, but if he has another supplementary question that he would like to ask of the hon. member for Egmont, I will entertain it, but be very brief please.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I would just like to comment that for the most part the farmers in Saskatchewan, to whom I have been talking and who are now looking at this new program, are going to take the higher coverage. That is the information I am getting from the grassroots and that is where it counts, at the grassroots.

In the case of Saskatchewan it is important that they have the opportunity to increase the coverage four to five bushels an acre, which is the higher risk. Naturally there is a little more premium but most of the farmers are choosing to take that initial coverage.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the bill before us today is Bill C–48, an act to amend the Crop Insurance Act, presented to us at third and final reading. It is just one more example of how this government is abdicating its responsibilities to Canadians.

We have seen this government working hard to get out of the business of government. The examples are many, but the visible process began with the free trade agreement and it is continuing with these most recent bills before us. The unemployment insurance legislation amendments, Bill C–21, was just one in that long list.

I do not want to deviate from the bill before us, but I must say a few words about Bill C–21 in order to establish the basis for the argument that I want to present here today.

Bill C–21, the unemployment insurance legislation, has many faults. One of them is that it allows the federal government to remove itself from all funding responsibilities for that program. The total cost of Canada's unemployment insurance program, because of Bill C–21, will now be borne by the employees and the employers of Canada. There will be no federal financing involved in the benefits of the unemployment insurance program. The bill transfers the costs of those programs away from the federal government, and I object to that.

Most recently, Canadians will recall that the finance minister's budget, brought in on February 20, transferred a greater share of the costs of post-secondary education and health care to the provinces, again showing the

reduced commitment of the federal government to those important national programs.

I can cite quite a few other examples, Mr. Speaker, and I know you are aware of examples yourself, but I do not want to stray too far from the substance of Bill C–48 now before us. The bottom line, however, is quite clear. In this, as in the other circumstances, the government is abandoning or beginning the abandonment process of the Canadian people and of the programs that bind them together.

The one other clear example that I cannot forget to mention in all of this is the post office. As the post office critic for the New Democratic Party, it is a subject that I am very close to. There is not a single person in rural Canada who does not know that Canada Post, with the support of the government, is abandoning rural Canada. More and more post offices are closing and more and more postal services are being provided by the private sector in areas where the federal presence is desperately needed.

The ability of Canadians to look to their government for leadership, direction, assistance and guidance is being taken away by this government, slowly and without much fanfare. When Canadians are in trouble, they will soon have nowhere to turn because this government is removing itself from taking responsibility for helping Canadians to determine their own future.

I know that that is the Conservative government's way. Get government off the backs of the taxpayers, we have heard in the past, reduce government to a level where it is insignificant. And when Canadians need the help of their government, it is not there to provide them with that help.

The Conservative way does not work because with the reduction of support has gone the increase and the cost of the government. Our national debt continues to grow, the burden on the taxpayer continues to escalate, as the support from the government diminishes.

• (1750)

I find that shameful. Bill C–48 before us today outlines this very well and fits into that big picture which I think we all detest. What this bill proposes at the outset is to again reduce the federal government's commitment to crop insurance and, therefore, its commitment to agriculture and the people of rural Canada.

If passed, and I do not doubt that it will pass because of the majority of government members, the legislation will reduce the federal cost sharing from 45 per cent to approximately 27.5 per cent. In so doing, it increases the provinces' costs on the crop insurance program. It is a move that could result in the farmers themselves shouldering a greater percentage of the costs of the crop insurance for two reasons. One is the way the program is designed and the second is that the additional provincial financing burden will show up later in reductions in revenue sharing for smaller communities and rural municipalities across the country.

Those concerns were outlined quite clearly by the National Farmers Union in a brief to the government committee studying the bill. I want to quote briefly from that National Farmers Union brief:

> The last federal budget indicated the amount to be spent on crop insurance for 1989–90 would be reduced by $90 million and a further $110 million decline was projected for the 1990–91 fiscal year. This reduced federal commitment, which would equal the share of the crop insurance premiums paid by provinces to a maximum of 25 per cent, would create inequalities among provinces and producers. Adding costs onto provincial treasuries will hurt poorer provinces, and result in disparate programs available to producers in different regions.
>
> Under current wording of the proposed legislation—federal contributions would be governed by annual loss claims. Enrolled producers will need to pay their full share of premiums but the federal and provincial governments would pay their respective shares into the provincial plans only if circumstances dictate. We anticipate there may be years in which the producer share would represent well over 50 percent of funds collected by their respective crop insurance programs. The funds could conceivably be depleted every year and farmers could well be confronted with rate increases which might otherwise not be the case.
>
> The NFU is recommending the federal government's financial commitment to the crop insurance program be increased to cover two–thirds of the premium costs. Producers would pick up the other one–third of the premium expenses, with the provinces assuming the administration costs associated with the program.

The recommendation is one that has a great deal of support throughout the agriculture industry and this government must address it. Even with the amendments so far accepted, this legislation is not going to assist the

farm populations in western, central or Atlantic Canada address their real needs.

I remember at the beginning of this debate my colleague for Saskatoon—Humboldt putting this into perspective. He said and I quote: "It is very doubtful that this bill is going to do much to improve farm viability or to reduce the exodus of population from rural communities. All it will do is reduce the cost of the crop insurance program to the federal government."

I do not have to tell you, Mr. Speaker, that there is a financial crisis in agriculture today. The price of grain is too low to cover the increasing cost of production. Because of this, the Department of Agriculture is projecting a net loss in income for Saskatchewan producers in 1990.

Also, I do not have to tell you, Mr. Speaker, that my province has lost 55,000 people in the past five years. In my constituency the largest community is the city of North Battleford with a population of 15,000. In the past five years we have lost the equivalent of three and a half North Battleford Saskatchewans, all because there has not been enough support for the people of rural Canada, the people of rural Saskatchewan and the agriculture industry.

Can we continue the loss of farmers off the land? Can we continue to lose young people from our rural communities, from our cities and from our province? No, we cannot. We certainly need more than a program which relies on higher premiums for producers and a greater contribution from the provincial Treasury to correct this problem. This crisis affects us all and all legislation, no matter how small or seemingly insignificant, must be directed at correcting the problem.

That means, first, increasing the revenues at the farm gate and, second, decreasing the cost of the debt now running at $22 billion, an almost unbelievable amount at the farmgate, considering how valuable agriculture is to the future stability of our entire economy.

Bill C–48, an act to amend the Crop Insurance Act, does nothing to address either of these matters. This bill sets out the terms under which the federal government will contribute to provincial crop insurance schemes. It is an opportunity to express the federal government's commitment to the industry and acknowledge the value that that industry holds for our country.

I know that the federal government does not have jurisdiction on crop insurance and it is not responsible for designing the crop insurance scheme. But that does not mean that the federal government does not have an interest in ensuring that the insurance practices in one province are the same as in another, and that all producers, no matter where they farm, have the same degree of protection that the insurance schemes provide.

With Bill C–48 we see the opposite happening. New Democrats concerned about the future of agriculture will not stand idly by and accept this. The government had undertaken consultations prior to drafting C–48 and listened intently, I expect, to representations made during the committee hearing process. But the bill has not been drafted to assist farmers, as the consultations led us to believe. Its only purpose is to continue the government's plan of reducing its own responsibilities to Canadians.

Let there be no mistake. This government would rather not have to deal with the problems of our economy. That is its philosophy. It is a philosophy that will drive farmers off the land and return agriculture to the control of the private sector which nearly bankrupted the entire industry just a few decades ago. The fact that this legislation is before us today leads me to believe that other initiatives being undertaken by this government are expected to produce the same result.

Perhaps my greatest concern lies with the government's initiated review of the operations of the Canadian Wheat Board because, if it is the intention of government to get out of the business of government, the goal for the Canadian Wheat Board is to get out of that business and not act for the farmer as it has been doing until now.

You will remember, Mr. Speaker, that in November, 1988, there was a general election in this country. Prior to that election there was a great deal of concern about the future of the Canadian Wheat Board because the then proposed free trade agreement was threatening its existence. The government said, "No way, we are committed to the Canadian Wheat Board. The free trade agreement does not affect the Wheat Board. The existence of the Wheat Board is secure".

Well, while this government was in the process of amending the Crop Insurance Act, with the intent of reducing its financial commitment to that act, it has launched an attack on the Wheat Board at the same time; first, with the removal of oats from the export jurisdiction of the board, and now with this full-scale review of the board itself.

Do not blame me for being sceptical or afraid that once again the Conservative philosophy of getting out of government will lead to the destruction of the Canadian Wheat Board and the destruction of farms across the country. Central desk selling and the pooling of grain prices is still the preference of the majority of farmers across Canada. The Canadian Wheat Board has proven its value. Last year in particular, despite advances made by the Americans and the Europeans on the world market, the Wheat Board beat the odds and sold more grain than it was expected to sell under those circumstances.

Do not forget, Mr. Speaker, the Canadian Wheat Board was established because Canadian farmers had absolutely no say in the market-place. That seems to me to be the direction to which this government wants to return.

• (1800)

At a time when Canadian farmers need the support of their government and the benefits that can be achieved by co-operation and pooling resources, this government is working to return the industry to the hands of the grain trade whose only interest is the profits they can make, not the income that the farmer can make.

Farmers and Canadians have to ask themselves: should farmers go back to the winner-loser type of market situation where every grain grower is competing for market share and price with every other grain grower in the country?

Saskatchewan Wheat Pool delegates recently showed their preference by voting to support the orderly marketing of grain through the Wheat Board. The government opposite must take heed or risk putting farmer against farmer, community against community, and slowly destroy the entire basis on which the farm economy is structured.

Bill C-48 is just one more step in this long, complicated and dangerous process that is removing the federal government from its commitment to the future and to Canadian farmers.

You will remember, Mr. Speaker, that I rose in my place last week to ask the government to provide immediately for the industry's call for $500 million so that producers could get their crops in the ground. The snow is melting on the prairies, the farmers are in their garages and their Quonsets preparing their equipment for the land, but the financial institutions are refusing to lend the money they need to get the seed in the ground.

We have never seen a crisis like what we are seeing right now on the prairies. The government takes great pleasure in talking about all it has done for agriculture. I have heard it said that the proof is in the pudding.

If what the government has done in the past is so wonderful, why is the industry in such trouble today? The government's band-aids have been necessary but they are wearing awfully thin. If the crisis in agriculture is a wound, it needs a cleansing remedy, it needs a tourniquet, it needs to be healed so that a healthy industry can grow.

Nothing done to date has been anything more than a band-aid. The assistance in recent years has been greater than at any other time in our history. That does not mean it has been adequate or that the programs which brought it forward were adequate. The agriculture crisis has been building for nine years. It is the result of Liberal and Conservative government mismanagement and totally inappropriate responses to the circumstances in the world market-place.

The amendments to the Crop Insurance Act, the removal of oats from the Wheat Board, the termination of the branch line rehabilitation program, the cancelling of the interest-free cash advance, all make it more difficult for the farmer to respond individually to changes in that international market-place.

Although the Uruguay Round at GATT will end this year, the international problem with export subsidies is still there. There will be no magic solutions for the crop year ahead of us. The government cannot continue to sit on its hands and hope that the market-place will solve the problem for it.

How do we who represent farm interests in this House convince the government that its approach is wrong when it is not listening and cannot read the writing on the wall?

Bill C–48 is taking Canada in the wrong direction. The correct approach is to act internally to reduce interest rates, to institute an income stabilization program to ensure that farmers have an adequate income for their labours, to put in place an immediate $500 million for Saskatchewan farmers to help cover the costs of the recent droughts and low grain prices, and to establish a moratorium on farm foreclosures at least until July 1, 1990 to ensure that a debt restructuring program can be designed and executed.

The Minister of Agriculture is aware that the agricultural debt in Saskatchewan alone is $6 billion, half of which is held by federal and provincial government institutions. Unless that debt is restructured no amount of other assistance is going to alleviate the farm financial crisis before us.

Bill C–48 is an attempt to cloud the crisis, to fool farmers into thinking this government is acting on something. We in the Canadian farm population will not be fooled. At this time of great difficulty in the industry we need a government that is prepared to show leadership, a government that is prepared to see the industry through this difficulty without undue and unnecessary stress, and a government that is prepared to step in where necessary rather than a government that will remove itself from the process.

I will not support Bill C–48 and hope this government will reverse its direction so that farmers can do what they do best: farm the land and provide food for the world.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have just one brief comment.

I listened very closely to the hon. member's remarks. He is not recommending that this is a good program. I want to recommend it to the farmers of Saskatchewan. I took a good look at this bill on the weekend with different farmers as it relates to their individual farms.

If the government pays 50 per cent of the coverage plus the administration cost, as it does on the crop insurance program, it is a good deal for the farmers. The additional cost and coverage are very important. I am sure the hon. member is not suggesting to the farmers of Saskatchewan that they should not take this coverage, particularly when there are difficult problems for agriculture in Saskatchewan.

The government realizes the problem. That is why the amendments have been made and why this program is important. It is important to farmers to consider taking this program or coverage unless they are in good shape financially.

Mr. Taylor: Mr. Speaker, the hon. gentleman opposite has a great deal of experience in the farm community. I know that on occasion he represents his constituency extremely well. I do not doubt for a minute that he advocates the taking of this crop insurance by the farmers in his part of the province.

He will recognize that there are great discrepancies across the province of Saskatchewan in terms of the way in which the crop insurance schemes have been designed and the way in which they assist farmers on marginal land in the north versus the farmers in the southern part of the province. That is not what we are here to debate today.

I believe in crop insurance. I believe crop insurance is an essential part of the agricultural program. However, my argument, if the hon. member had listened, was quite clear, that no amount of tinkering with the crop insurance programs we have today is going to alleviate the farm crisis. Rather than debate this motion, we in this House have to try to find a way out of the farm crisis, to find a way to keep the farmers on the land, and not to try to fool them that we are doing something about it when in fact the big problem is still there.

Mr. Maurice Foster (Algoma): Mr. Speaker, I listened to the hon. member from Saskatchewan. He has often served on the agriculture committee and I know he is aware of the difficulties facing Saskatchewan.

The recommendation made by a number of groups in Saskatchewan that there be an acreage payment of something like $20 per acre with perhaps a lesser amount for summer fallow would be a kind of cash injection. The member was saying that we should not be tinkering with the system, that we need a cash injection at this time so farmers can put their crops in the ground this spring. I

am interested in knowing the hon. member's view as to what mechanisms should be used.

I understand the federal government is arguing that it should be a cost shared arrangement with the provinces, especially the provinces of Saskatchewan and Ontario, for corn, soybean and wheat producers.

I would be interested in hearing the hon. member's comments with regard to the initial payment and why he believes the Government of Canada has diddled since last November when the Saskatchewan Pool at its annual meeting recommended that there be at least a $500 million cash injection. The premier talked in terms of $500 million now and an additional $1 billion throughout the coming crop year.

• (1810)

Why has the federal government taken so long to make up its mind, and is there going to be a payment before seeding time this spring?

Mr. Taylor: Mr. Speaker, I very much appreciate the comments and questions from the hon. member with whom I have served a number of times at committee. I always enjoy listening to questions and comments of the hon. member because he answers a good part of his own question and I share many of his thoughts on this pay-out.

One of the things I was going to say about the pay-out was that it was originally requested by the Saskatchewan Pool. The president of the pool requested quite some time ago the $500 million pay-out.

I do not want to get into the nitty-gritty, the ins and outs of how it should be paid or to whom it should be paid. From my meetings with representatives of the pool and its members, with representatives of national farmers unions and other farmers throughout my constituency and with representatives of the political parties, I believe a number of different schemes would get these funds into the hands of farmers.

My biggest concern is not how the funds get there but that they get there. If seeding does not occur this year, we will be in serious difficulty. The only way that it will occur is for the government to take a leadership role and to provide the mechanism for the release of those funds.

I believe very strongly the words of the hon. member that the government is diddling with this issue are sincere. The government is certainly diddling with this issue. The essence of my remarks today were, quite frankly, that the government did not want to deal with this problem and that it was hoping that something else will occur to take it away from dealing with this problem of the farm financial crisis on the land today, both on the revenue side and on the debt side.

The problem will not go away on its own. This government has to take a leadership role and act now. That $500 million is a minimum that Canadian farmers, in fact Saskatchewan farmers, are asking for.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I would like to congratulate the hon. member on an excellent presentation this afternoon.

During the course of the debate we have heard government members praise the government's actions on behalf of farmers. The government states that there has been an increase of 650 per cent or some such figure in aid to farmers. Most of that aid has occurred in the past. What we have is an expert operation of the kind seen in magic shows where the magician talks us into looking at something other than the trick he is pulling.

We heard a lot from the government about all the assistance it has pulled out of the hat by way of *ad hoc* payments, but we did not hear much and we never hear very much from the government concerning the amount of money it is taking out of farmers' pockets, particularly since its re-election in November 1988.

There was something like $200 million in the past budget and the current budget out of crop insurance, which will be pulled out of our pockets as taxpayers at the provincial level or in higher premiums at the farm level, taking something like $25 million to $30 million a year forever out of farmers' pockets because of the government's decision to do away with the interest-free cash advance payments programs in the west and across the rest of the country.

There were increased producer levies under the western grain stabilization program. The doubling of the increase there did not come into effect until after the election was over. Although it was known to members of the stabilization committee before the election, it did not show up at the elevator until the election was well in hand.

Also, the discontinuation of the fuel tax rebates was announced in this past budget. It will take effect over

two years: January 1, 1990 and it will disappear totally January 1, 1991. It will have the effect of taking between—

The Acting Speaker (Mr. Paproski): Could the member put his question?

Mr. Althouse: What does the member think of a government that talks a good line but is pulling money out of our pockets at the same time as it is talking?

The Acting Speaker (Mr. Paproski): I will give the hon. member one minute.

Mr. Taylor: Mr. Speaker, I am sorry I do not have more time to answer that question and to reiterate some of the figures that my hon. colleague has cited.

There is no question that my hon. colleague, who has been the New Democratic Party's agriculture critic for a number of years, has served the agriculture industry very well. His research has been second to none, and the government would be well served if it would listen to the criticisms and support brought forward by the hon. member for Mackenzie whom I consider a friend as well as a colleague.

The information that he provided to us today is very accurate. There is no question that the government is acting like that magician out there who is showing one thing in one hand and doing something else with the other one. I agree with him entirely and I wish him well in continuing to serve the farm community on agricultural matters.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I want to start today with commenting on the work of the House at the report stage on Bill C–48, the crop insurance bill.

I am glad to see, in spite of the two ministers' objections, that the House had the wisdom to adopt the amendment that ensures the federal government's commitment to the crop insurance program is at least 25 per cent and not up to 25 per cent. We would rather have had 50 per cent or one–third, at least. To cut it back to 25 per cent and then not include a proposal to make sure at least that it stays at that level and not be withdrawn or cut back later is wrong. That amendment is certainly a good one, and the House should be commended on its wisdom to include it as part of the legislation we are debating at third reading.

The Minister of Agriculture attempted to assure the House that the cut–back to their share of the premium would never happen. Now, because of the amendment, we are sure it cannot happen unless the act is changed again by the House.

I would like to point out that this legislation is indeed a cutback in federal government funding for the crop insurance program. I would like to reflect on all the cutbacks in various farm programs this last year, and all of these coming at a time of extreme economic hardship in the farm sector. Spring planting is just a few weeks away and my neighbours will be starting to plant in a couple of weeks. The lending institutions are no longer lending on equity but rather lending only on a cash flow projections basis. No matter how one budgets for this coming year, with our low prices of wheat, corn, soybeans and other crops, one cannot cash flow in order to show a profit next fall. Consequently many farmers are having their operating loans cut off this year.

I think back to some of the discussions earlier this afternoon and to what happened on November 21. That was the day of the massive demonstration, that wonderful demonstration that was put together by the UPA of Quebec, the producers, organization in Quebec. They protested on Parliament Hill because of these massive cutbacks in spending in agriculture, because of the uncertainty resulting from the free trade agreement, and because the government failed to stand up at GATT and take the part of the producers.

I look back at what happened at that time and look at the events of today when two innocent people who were protesting on Parliament Hill were dragged off by the police, dragged out at a time when they were speaking to members of Parliament. One of them was a priest who was fasting on behalf of the unborn.

• (1820)

We heard arguments and references made to that meeting of November 21. When I think back on that I have to wonder if it is sheer coincidence that this action took place here today because the farmers were demonstrating on November 21 on the Hill. I have to think that perhaps the government is afraid to let them back on the Hill again to protest. It is afraid that the next time they come back if the government does not listen, they will tear the place apart. No doubt they will be joined by literally thousands upon thousands of farmers from across the rest of Canada.

An Hon. Member: Simcoe too.

Mr. Ferguson: Simcoe, too. I do not doubt that at all. Most of the rich people from Toronto own homes up in Simcoe County. A lot of the very wealthy ones are up there, and they do not get hit as hard as the rest, but I would suggest that the Minister of Transport should go out and talk to the real down to earth farmers, the ones who make their livelihood out of the soil.

The government knows that if these farmers are forced to come back to the Hill to demonstrate again, there will be double the number that were here last November. At that time, there were between 12,000 and 13,000, according to the figures that were obtained from some of our institutions on the Hill. *La Presse* said 15,000. *The Ottawa Citizen* said 13,000, but the figures we have indicate between 12,000 and 13,000, most of them from the province of Quebec, but quite a number from the province of Ontario as well. If they come back, they will hold the government accountable for what has happened to agriculture since the fall of 1984 when it took over.

Passing an Order in Council to prevent the people of this country from demonstrating on the Hill is not acceptable when we have the economic conditions that we have here in the farm sector today.

When I was a young person going to school, I used to hear my father talk about the tough times under the Bennett government. The farmers from across Canada came by railway and every other means possible to demonstrate on the Hill. Their demonstrations proved to be effective because back at that time we had the various boards come into place. They gave the farmers control over what they are selling and the returns they had to have, and took it out of the hands of a few very large corporate people who were making excessive profits.

One of the problems that producers have today is that they do not have VIA Rail any more. The government cut that off too to keep them away from the Hill here, so they could not demonstrate.

An Hon. Member: Some 2,700 people down the tube.

Mr. Ferguson: That is right.

We heard the Premier of Saskatchewan saying last week that a third of their farmers are in extremely difficult positions and may go down the tubes. That is a third of all farmers, 21,000 in Saskatchewan is a third of their farmers, and another third in difficult problems.

I ask you to listen to what the Minister of Finance said in his 1989 budget. It is on page 15 of his budget speech. He said that a rebalancing of the costs of this program will result in a federal saving of $90 million in 1988–89 and $110 million in 1990–91. What we are seeing today is the result of that statement. A massive cutback at this time, when the farmers are facing such harsh economic conditions out there, and now their operating loans are cutting off, it is neither acceptable nor can it be condoned.

Clearly the Minister of Finance sees this as a cost cutting measure, with the federal government's share of the program being cut. Of course this past Wednesday the Minister of Agriculture told the House that this is not a cutback on the government's share of crop insurance costs. Let us look at the effects of the program's new funding arrangements.

The provinces share the cost of crop insurance, and their share will increase. For example, the cost to Prince Edward Island is going to increase from $150,000 a year to $650,000 a year. That is a half a million dollar increase—a whopping 333 per cent. Producers' costs will increase as well. In some cases the producers' costs will increase by close to 50 per cent.

As we heard earlier, the federal government will spend $200 million less on crop insurance over the next two years. How can it possibly say that the $200 million is not a cutback? Last December, when this legislation came before the House, the Parliamentary Secretary to the Minister of Agriculture told the House that one of the major reasons for the change of crop insurance was: "We have provided a more equitable rate for sharing the cost of insurance premiums".

It is easy for two of the three partners in the program to get together and say: "Look, we will share one-half of the cost and leave the other guys alone because they are not here." It is easy for them to make such an arrangement when that third party is not at the table and is not involved in these negotiations. This is exactly what happened. The producers were not present when this agreement was arrived at.

Indeed, the members used the terms "equitable" or "balanced" more than half a dozen times to describe the changes in the premium funding arrangements. If the member listened to the witnesses when this bill was before the committee and took the time to read their

briefs, he would fail to bring to light a single witness, other than the minister, who calls this change "equitable".

Even the governments of Ontario, Prince Edward Island, British Columbia and New Brunswick found that it is far less than equitable. Seven out of the nine producer witnesses asked for a tripartite sharing of the costs of crop insurance. The list of witnesses was very impressive, witnesses who were asking for an amendment to change the funding for the crop insurance program to a one-third, one-third, one-third split.

We have the Ontario Agriculture Commodity Council that represents 17 different producer groups. The Soybean Growers' Marketing Board of Ontario was present. The Saskatchewan Association of Rural Municipalities made a brief. The Ontario Fruit and Vegetable Growers' Association, the Western Barley Growers' Association, the Ontario Seed Growers' Association, and the Canadian Federation of Agriculture, all these organizations that came before the committee recognized an equitable sharing of the premium would be one divided along the line of one-third, one-third, one-third.

Only the minister and his department's witnesses agreed with the proposed format. I suggest that only this government could possibly argue that this legislation would implement an equitable sharing arrangement.

I should point out, perhaps, that when the National Farmers Union appeared before the committee it asked for a one-third, two-thirds sharing of the split, with the federal government accepting the two-thirds share.

In December, I argued for the precedent of the tripartite cost sharing to be established in crop insurance. I would like to point out today with this legislation that the government is clearly attempting to undermine that precedent and to set a new precedent for cost sharing and programs to provide the rationale to reverse these previous decisions.

I would like to take a few moments to point out some of the other weaknesses of this legislation to show how some of them are directly related to this legislation's failure to introduce equitable cost sharing. The coverage under this bill would improve from 80 per cent to 90 per cent for some crops. That may seem like an improvement that the legislation would make for crop insurance. However, on a field of corn, this 10 per cent improvement would cost the farmer almost double the premium. The farmer's insurance premium costs would go from $5.71 an acre to $10 per acre. Common sense alone should tell the government that this is far from balanced, or is very inequitable to say the least.

Look at what happens to a Saskatchewan farmer. Let us say that he has 1,200 acres of wheat with a coverage of 70 per cent, guaranteeing him returns of 18 bushels an acre. His premium would be $5,700. To increase that coverage from 70 per cent to 80 per cent, a 10 per cent increase in coverage, his premium would increase by 75 per cent—a 75 per cent cost for a 10 per cent return. That is far from being equitable. I am reasonably sure that very few farmers will be opting for that additional coverage, because of the extra cost.

Considering the administrative difficulties and the gross inequities revealed by the application of the Canadian Drought Assistance Program, I would have thought that the government would have attempted to address these problems in this legislation. I have to refer to the fact that it has been recommended by various groups that we should have more coverage that is available for individual farms. For example in my own riding, producers in Ekfrid, Metcalfe, and Adelaide townships were able to establish a long narrow drought band cutting a swath across their townships. The area of the band in total was fairly large. Because the majority of the three townships in question was not as hard hit, the whole township was ruled ineligible for drought assistance. Because of the guidelines the appeal process failed to rectify the situation. If the intent of the legislation is truly and actually to reform crop insurance, we should have included changes that would allow for damage assessments such as this and make recommendations for future years, such as we had in 1987 and 1988, and in some areas in 1989.

• (1830)

I would like to speak of tomorrow. A few moments ago I referred to the fact that spring is almost here. It is here officially on March 21. In my area, seeding will start around April 1.

Canadian producers need that legislation now, and they need the financial assistance to go along with it. Farm incomes are forecast to drop dramatically this year as Canadian farmers are victims in an international trade war in which their government refuses to fire a shot. I call on the government to show some compassion in view of the fact that farmers are not getting their operating loans this year. Again, one cannot cash flow one's input costs against expected returns.

I call on the government to provide an insurance coverage program by delaying the payments on the premiums until the harvest and sale of this crop takes place. Surely, in these economically tough times, the government could take a look at this. We are only asking the government to share some of the risk rather than have these people not being able to plant their crops because they cannot afford crop insurance.

I have a petition here that the Ontario Wheat Producers Marketing Board committeemen presented the week before last, on March 6, to the Deputy Prime Minister and the Minister of State for Grains and Oilseeds, asking for help. It states:

> The undersigned Ontario wheat producers, duly elected county committeemen, implore the federal government to immediately establish price support to equalize the damage caused to Ontario wheat prices by the United States export enhancement program. Such support can be accomplished by approval of the Ontario Wheat Board's request for the 1990 initial payment guarantee of $130 per tonne.

These committeemen, and there are three pages of names here, represent 25,000 wheat producers across the province of Ontario.

We have letters of request from the Ontario Corn Growers Association. Again, it asks the Prime Minister and the Deputy Prime Minister to realize the severity of the drought experienced in several parts of southwestern Ontario and central Ontario last year and to come across with some assistance this year to help in planting the crops.

It goes on and on. The soybean producers are equally hard hit. It is the same for the wheat producers in Saskatchewan.

On March 12 the corn producers announced that their members' incomes have declined substantially and are now only 28 per cent of pre-1985 levels. This shows that incomes have dropped dramatically since this government took power in 1984. The sums the government is currently offering barely meet one-tenth of the United States Export Enhancement Program's current allocation of $570 million. That is a program which is to be increased to $900 million for next year.

We should not fail to consider the European Economic Community's subsidies which the Parliamentary Secretary to the Minister of Agriculture on March 5 estimated to be close to $80 a tonne for grains.

In view of this situation, I call on the minister and the government to listen to all these requests for assistance and to act now before it is too late so that our producers can plant their crops this year.

We have the most efficient producers in the world who grow the highest quality produce. The government should not be abandoning its responsibility to provide equitable crop insurance as this bill clearly does. I cannot support this bill in its current form.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I listened with great interest to the remarks of the hon. member. I noticed that he mentioned some of the wheat producers and corn producers with whom he met recently are pointing out the great need for a price support program of some sort to offset the effects of the grain wars going on between the United States and the European Economic Community. Would he care to comment on that just a little bit more? Would he place particular emphasis on the initiative that the U.S. embarked upon some years ago to try to get all countries off a subsidy program, which is interesting coming from that country which is one of the highest users of taxpayers' money to produce raw grain and food products of any country in the world?

A lot of the other countries have programs that force their consumers to pay more for food products, countries such as Japan and countries in Europe. The U.S. is the most fervent user of taxpayers' money to produce food to try to get the price down. The result has been a very low amount of money that the consumer pays for the grocery bill. It is something like 11 per cent of income. That is masked because that same consumer's tax pocket is being used all the time to keep the price of food low.

I realize that we are all calling for some sort of *ad hoc* price support program. Would the member look down the road for just a moment and tell us what he thinks the possibilities are of living in a subsidy-free world, given that that same subsidy-free world assumes that somewhere out there there is a free market?

I ask my question given the reports from some parts of the United States with regard to actions on the Chicago Board of Trade concerning soybean futures in particular, and also the indications of massive manipulation by some of the users of the Chicago Board of Trade which is the point at which most world prices are established. Will the member tell us how comfortable he is with having to rely on that to be the methodology whereby price discovery takes place if we do in fact reach this great world that the United States is trying to direct world agriculture into?

Mr. Ferguson: Mr. Speaker, I am delighted to respond to the question which the hon. member has laid out very clearly. When I look at what is happening in the area of price discovery in the market-place I see that that method of price discovery no longer exists. The U.S. Export Enhancement Program that provided $20.50 a tonne subsidy on the sale of wheat to Russia in January caused our price of wheat here in Canada to drop by $20.50 a tonne. The Americans actually set our price of wheat; the market-place had nothing to do with it. Our world grain reserves are a low point, yet the prices are held down artificially by such actions.

When I look at what is happening in the area of corn production and the price of corn, the U.S. has an acreage allotment program. That acreage allotment program has been in place for a great many years. Farmers are required to set aside 10 per cent of their acreage, and in return they have a target price. They receive a deficiency payment which is the difference between the market price and the target price. That money will come into the producers' hands this month. They will be able to go ahead and plant their crops for the coming year. The money that comes into their hands is half the deficiency payment, the other half is paid a year from now.

The member also referred to the scandal last summer on the Chicago Board of Trade. I followed that very extensively. Again, it was price manipulation by a few very large corporations that was not stopped by the proper regulatory authority. It was allowed to continue.

When I look at the method of price determination and then at the actions of this government, which is working hand in hand with the American government to try to bring about an end to the subsidies, I find it hard to find words to describe just what is happening. Perhaps I can refer to a description I heard not long ago as to what is happening to the Canadian farmer. What is happening to the Canadian farmer at the present time is not unlike what Jimmy Bakker did to Jessica Hahn. I think that sums it up very clearly.

• (1840)

The hon. member asked me what we can see down the road. It is up to we as Canadians to set the direction for Canadian agriculture. It is up to we Canadians to show the world that we have the highest quality products in the world. We have maintained our share of the world markets over the years.

I am convinced that we should ignore what is happening to the south of us and go with our own programs which are designed to protect Canadian farmers. We should make food a national security item here in this country, with the large percentage of it produced and processed in this country and forget about that ill-founded trade agreement that gave the Americans our oil, natural gas, water, and is putting adverse pressure on our producers.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, it is a pleasure to stand in the House today and discuss this very important bill, Bill C-48, which has a tremendous effect on the Canadian farmer and the Canadian institution itself.

As I stop to think about what I would consider some of the most important issues is Canada, it is making sure that businesses, such as all farms are, are given the proper tools and the proper facilities to operate in this society. I honestly believe, without question, that crop insurance is a very, very important tool required to operate.

As I think about crop insurance I have to think about what it does in order to help the Canadian farmer live a much better life, a much more stable existence. It seems

to me that year after year, problem after problem, we hear of *ad hoc* policies that are brought out by the government in order to stop difficulties that exist.

Let me give an example of that. In 1988 a drought hit across Canada and destroyed much of the agricultural community. Weather conditions cannot be easily controlled. As a result, a drought is devastating to an enormous part of agriculture in Canada.

Just last year in my area we had a tremendous flood. No one expected 12 inches of rain in a very short time period. That devastation came down upon the farmers in my area and literally destroyed hundreds of acres of production. The result is that we scramble here and there in *ad hoc* committees, hoping that we will set up programs which will answer the difficulties the Canadian farmer faces.

I get a little tired when I hear that the answer to many of these problems is a payment of this or a payment of that. The Canadian farmer deserves better. He is a very hard working, very good businessman and does produce to the best of his ability with the circumstances he is in. Of all businesses I think about in Canada, the agricultural community is more subject to weather conditions which produce droughts, floods, frosts which cause a tremendous amount of damage, and hail storms that knock out a tremendous amount of crop production from time to time.

As we start considering those in the agricultural community, we see that they really do need a very strong, stable insurance program. That stable insurance program needs to have two qualities. The two qualities are affordability and flexibility.

When I stop and think about the aspect of insurance being affordable, all I have to do is relate it to any consumer who is buying auto insurance, house insurance or any other type of insurance. If the cost of that insurance exceeds its ability to support that family, or if it exceeds the ability of the family to buy a car and have it properly insured, then the insurance policy is not meeting the need of the consumer.

If this crop insurance program which is being produced is going to have rates that are extremely high, and if those rates are not being somehow supported by both levels of government, federal and provincial, the effectiveness of the insurance is strongly affected by its affordability. If a farmer in my area decides that the cost of insuring his acreage of corn, soybeans, tomatoes or whatever is too high, he is going to stop and start thinking about what the odds are of getting around this insurance policy this year. His input costs and all his other costs are so high, he may not be able to participate in the plan.

What I am seeing and hearing is that the number of dollars available to farmers in this area and farmers right across Canada are not plentiful. They are not there for him just to go out and buy insurance easily.

I see articles with headlines suggesting that if you thought you could afford crop insurance last year, you may not be able to afford crop insurance this year. They are suggesting that the rates of this crop insurance program are not being alleviated at all by the introduction of this crop insurance bill.

As a matter of fact, we all know that the federal government in its generosity did support crop insurance at a rate of 50 per cent of the premium in many provinces across Canada. Particularly here in Ontario the 50 per cent rate was covered by the federal government up to a maximum of 80 per cent of historic crop value. At the same time the provincial government carried the administrative costs and the farm community carried the other 50 per cent.

To make this insurance more affordable to the farmer, the recommendation came from almost every farm group across this country that we set up a tripartite payment plan which would give the federal government, the provincial government and the farmer or the producer each one-third of the payment responsibility.

This would affect the farmer in two separate ways. First, it would make the program more affordable. Second, it would give the opportunity to many of those who did not have the financial resources to participate in the insurance program the ability to get into the program and to participate in a reasonable way.

The recommendation was very strongly put forward. One of the greatest disappointments I have read from almost every producer area across Canada was with respect to the fact that the federal government, rather than following through with reducing from 50 per cent input to 33 per cent input decided to go right down to 25 per cent, which it passed on to the provincial governments. In other words, our federal government changed its method of support to the farm community, reducing its costs by approximately $100 million a year. Now the provincial government has to pick up what the federal

government was paying up until the introduction of this bill.

The federal government is going to pick up part of the administrative costs, which are very low. They are estimated to be in the 7 per cent range. The federal government is picking up part of the administrative costs but only subsidizing this program to 25 per cent. That is a very unfortunate situation when we look at what is happening in the farm community in general.

People in the farm community have also been hit with many bills because of the legislation that has come down in the last two budgets, particularly the budget before this one. They are still feeling those effects this year. We are seeing fuel cost rebates being taken back. The farmer is paying much more for the cost of gasoline and diesel fuel.

We have seen transportation subsidies reduced. We have seen many farm programs, where we have had subsidies in line to pay the farm community what it needed for support, taken away. At the same time I feel that this insurance program could eliminate the *ad hoc* programs that we come to from time to time. We have not basically taken hold of that crop insurance and really encouraged the farmer to get involved, but we have cut back our support in that area as well.

• (1850)

The major problem that the farm community was upset with was this reduction in federal support, the federal support in the crop insurance program. Another area in which help was asked for in this insurance program was the optional coverage going from the 80 per cent level, which is in most programs now, to a 90 per cent level, which would give the farmer an opportunity to more protect his crop and more protect his harvest. That is in place, in part.

For some programs like corn, farmers will be able to get a 90 per cent coverage, but there are many other crops that have quite a strong variation. One year they might have 50 bushels per acre, while another year they have much less and another year more. Because of those variations there is a very complicated formula that has been put out by the federal government resulting in crops such as soybeans only being allowed to have 86 per cent coverage. Crops such as spring wheat would only be allowed 83 per cent coverage. There are many other crops that would not be allowed to come up to the 80 per cent.

I would like to look at comments that have come back about this crop insurance bill from people whom we all respect in the agricultural community. Roger George, the vice-president of the Ontario Federation of Agriculture, said that the changes are mere illusion. "There will be no break for farmers," he said. Don Drew, from the Ontario Corn Producers' Association said that any improvements are marginal at best. John Jacks said that improvements will either be marginal or non-existent.

What they are saying is that as this bill has been formulated, it has been formulated for a very specific reason by the Conservative government. Basically, the bill is reducing its commitment and its costs to the farm community. It is reducing its commitment and costs for, I think, very narrow reasons. It does not look at the farm community as a community that needs a great deal of help in this time period. It is looking mainly at the farm community which may be a group of people that represent 2 per cent to 3 per cent of our society today. Maybe because there is not a huge voting element in the farm community they are not being supported well with a higher-price food policy. We have a cheap food policy which is driving agricultural group after agricultural group to its knees.

This policy is being couched and covered in many different ways. We are being told that because of agreements that have been made between the United States and Canada, because of GATT rulings, because of all different kinds of agreements that have been entered into, that we cannot protect the farm community.

That is not necessarily the truth when it comes down to some of the statements that have been made. I would like to quote a comment which appeared in the corn producers' June 1989 newsletter. It states that federal spokesmen have claimed that their jurisdiction for a 25-25-50 split in premiums among the two levels of government and producers, respectively, will have to be followed because of an agreement that was made at the April Geneva GATT conference which froze agricultural subsidies. It goes on to state that federal trade negotiators have assured people in this House and all farm communities that the freeze involves the total effective level of support, that the statutory and *ad hoc* measures must be included.

Therefore if we look at crop insurance as a statutory law and we look at the *ad hoc* measures, the payments for drought assistance and floods, or payments made to all other areas, we realize that there is a tremendous amount of latitude and extra dollars that this government is not being forced to peel back. As a matter of fact, the government has a tremendous amount of room to negotiate, when we realize what it has done to the advance payments to farm communities and how that is affecting the farm community financially, and when we consider what it has done to the transportation payments that have been paid and which have been cut back dramatically. In this regard we can also consider the fuel tax rebates which are being cut out, as well as the hundreds of millions of dollars that have been taken out of the farm community in the last 18 months.

I am frightened for the farmers in my area and for farmers across this country because they deserve better. They deserve the opportunity to be the type of business they deserve to be, that is, a stable industry in this country.

If we realize the value of food to any country, it is imperative that we take similar measures to the U.S. and Europe to protect our agricultural industries. We are going in the opposite direction. We are taking dollars out of their pockets day after day, week after week, month after month, while we watch the U.S. not change any laws about subsidies or cut back any moneys to its agricultural communities. We see the U.S. in a real entanglement with the European common market, and it is putting in more money and more money which in fact comes back and devastates the Canadian farmer. It is an unfortunate but real situation that our farming community is under a great deal of stress today. We must do what we can to support it.

I believe that this bill has flaws in it that do not support the agricultural community as it should. I cannot support the bill because of the main item in it, that is the three levels of government and their participation. I believe that the federal government should pay one-third, the provincial government should pay one-third and the producers should pay one-third. Clearly, that would make a much fairer situation, a situation in which we are not always going back for other *ad hoc* support for the agricultural community.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, we have been told by Statistics Canada and by Agriculture Canada that the statistics show that farmers will actually be losing money next year from their realized income. They will not, in a sense, get back what they have put into inputs.

Can the member give us an indication of what he feels the value of insurance is going to be under those kinds of circumstances, especially when we know before we plant the seeds that we are not going to get a return which is going to cover the costs of production?

Mr. Pickard: Mr. Speaker, the people in my area to whom I have talked are very concerned about being able to have some money in their pockets to be able to go out and plant the crops this year. Because of the cutbacks in advance payments and because of the stress that they are under, many of the banking institutions are not extending credit for the basic start-up fees that our farmers really need to get under production.

Certainly the aspect that the hon. member brings forward is one that the farmer is going to be challenged with if he does get the start-up money or the advance money in order to get his crop in the ground. The actual harvest price is not looking good. We have been under attack by U.S. and European subsidies on certain products. We have actually driven the price of that commodity below the cost of production. If that is the case, there is a strong question of how the farmer can survive at all.

It is not how you operate a business in this case, it is whether that business is being so subsidized by different governments that it is unfair to exist.

The Acting Speaker (Mr. Paproski): The hon. member will have eight minutes remaining in his questions and comments.

It being 7 p.m., pursuant to an order made Thursday, March 15, 1990, the House will now proceed to the taking of the deferred division on the motion of Mr. Nault in relation to the business of supply.

Government Orders

SUPPLY

ALLOTTED DAY, S. O. 81—REGIONAL DISPARITIES

The House resumed from Thursday, March 15, consideration of the motion of Mr. Nault:

That this House condemn the government for its failure to protect, support and promote the regional economies of Canada, in order to eliminate regional disparities in the Atlantic provinces, Northern Ontario and Western and Northern Canada.

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 203*)

YEAS

Members

Althouse
Assad
Barrett
Benjamin
Blondin
Clancy
Dionne
Ferguson
Fontana
Funk
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hovdebo
Karpoff
Kristiansen
Lee
MacLellan
Maheu
McGuire
Mills
Nault
Pagtakhan
Prud'homme
Robichaud
Rodriguez
Skelly (North Island—Powell River)
Taylor
Wood
Anawak
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Blackburn (Brant)
Boudria
Crawford
Duhamel
Flis
Foster
Gauthier
Grey (Beaver River)
Harvard
Hopkins
Hunter
Kilger (Stormont—Dundas)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacWilliam
Manley
Milliken
Mitchell
Ouellet
Proud
Riis
Rocheleau
Simmons
Stupich
Whittaker
Young (Gloucester)—58

NAYS

Members

Andre
Beatty
Bertrand
Blackburn (Jonquière)
Bosley
Bourgault
Brightwell
Cadieux
Casey
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Cooper
Corbett
Crosby (Halifax West)
Dobbie
Duplessis
Fee
Ferland
Friesen
Guilbault
Hawkes
Hudon
Jacques
Koury
Layton
Lewis
MacDougall (Timiskaming)
Martin (Lincoln)
McDermid
Merrithew
Moore
Nowlan
Plamondon
Redway
Reimer
Richardson
Schneider
Sparrow
Tardif
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van de Walle
White
Assiniboia)
Winegard—92
Atkinson
Bernier
Bjornson
Blais
Bouchard (Roberval)
Boyer
Browes
Cardiff
Chadwick
Charest
Clark (Yellowhead)
Cole
Corbeil
Crosbie (St. John's West)
Desjardins
Domm
Edwards
Feltham
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Horner
Hughes
Kempling
Langlois
Leblanc (Longueuil)
Lopez
Malone
Mazankowski
McDougall (St. Paul's)
Monteith
Nicholson
O'Kurley
Plourde
Reid
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Stevenson
Thacker
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vézina
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

It being 7.25 o'clock p.m., this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 24(1).

The House adjourned at 7.25 p.m.

HOUSE OF COMMONS

Tuesday, March 20, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

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

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

* * *

EXTERNAL AFFAIRS

NAMIBIA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in just six hours Namibia will become fully independent from South Africa. There has not been an independence celebration anywhere in the world for nearly six years. This event is particularly momentous as Namibia is the last colony in Africa.

Namibian independence is, in the first place, a success story for the United Nations. The UN, which for 10 years previous, had no new peace-keeping operations has launched no less than five in the last two years, of which by far the largest was UNTAG, the UN Transition Assistance Group in Namibia. UNTAG was nearly stillborn last April when a tragic final outburst of fighting broke out between nationalist guerrillas and South African-controlled forces on the very day of the formal ceasefire. But reason prevailed and the transition process was accomplished without a hitch, military withdrawals and demobilizations, amnesty and repeal of apartheid legislation, repatriation of refugees and release of detainees, and finally registration of voters and the election of a Constituent Assembly in November. UN special representative Martti Ahtisaari and UNTAG now leave the country with the great satisfaction of having accomplished their mission—in full, on time, and within budget.

Namibian independence is also a success story for Canada. In 1977, Canada, with France, West Germany, the United Kingdom and the U.S.A., took the lead in negotiating a settlement plan for Namibia that came to be universally accepted as Security Council Resolution 435. Several years of negotiations followed, with Canada centrally involved in what was called the Contact Group, to overcome obstacles to the implementation of Resolution 435 through a parallel agreement on constitutional principles and UN impartiality. The final obstacle, linkage to Cuban troop withdrawal from Angola, was resolved in the fall of 1988 through an American-mediated regional agreement.

Canada then pitched in to implement the plan it had helped to devise. We advanced 80 per cent of our UNTAG assessment of $15 million to get the operation off to a fast start. Over 500 Canadian forces personnel served in UNTAG in two rotations, later joined by 100 members of the Royal Canadian Mounted Police, 50 election supervisors from the federal and provincial electoral institutions and the national political parties, and 12 fingerprint and computer experts. The government established a diplomatic observer mission in Windhoek while our UN mission remained active in the search for solutions on the Security Council.

Four parliamentary observers went to Namibia last September for the elections, as well as a Canadian member of a Commonwealth group and a number of independent non-governmental observers throughout the process. Some $3.9 million worth of development and humanitarian aid was provided, including $2 million for the UN refugee repatriation. Four thousand ballot boxes were supplied for the election.

Canada has invested over $22 million to help Namibia secure its independence, and over 700 Canadians have participated and contributed personally. I know I speak for all members of the House in saying that we are very proud of, and grateful to, every one of those Canadians.

Above all, Namibia's independence is a success story for the Namibians. They are emerging from over a century of German and South African colonialism. When given the chance to participate in free and fair elections, their enthusiasm for democracy knew no bounds. They walked great distances and waited patiently under blazing sun in lines up to a kilometre long in order to elect their Constituent Assembly. The turnout in that election was 97 per cent.

The new Assembly, animated by a strong, all-party commitment to reconciliation and co-operation, adopted unanimously in just 80 days an exemplary constitution. It provides for fully entrenched human rights, a presidency accountable to a bicameral Parliament, an independent judiciary, regular multi-party elections, and the absence of preventive detention and the death penalty. Namibians are justifiably proud of their new constitution and they are determined to make it work in practice and not just on paper.

Lastly, Namibia's independence is a success story for South Africa, and a harbinger of hope for the future. South Africa has decolonized with dignity and shown the world that it can be trusted to fulfil international agreements. South Africans can now look to Namibia for persuasive proof that fundamental political change can be achieved through a peaceful, negotiated and democratic process. Namibia, long a hostage to apartheid, is now leading the way for South Africa in dismantling apartheid, by showing what is possible when reason overcomes emotion and compromise replaces prejudice.

• (1110)

And so Africa's last colony later today takes its long-awaited and rightful place among the community of nations. We will welcome the Republic of Namibia as the fiftieth member of the Commonwealth and soon as the one hundred and sixtieth member of the United Nations.

[*Translation*]

Canada is represented at the independence celebrations by my colleague, the Minister for External Relations and International Development (Mrs. Landry). The delegation also includes parliamentarians of all three parties—the members for Waterloo, Haldimand-Norfolk (Mr. Speller) and Windsor-St. Clair— who have a long standing interest in Namibia and Southern Africa.

[*English*]

Namibia will need the continued support of its friends. I am pleased to announce today that Canada is opening a high commission in Windhoek.

Canada is also ending the application to Namibia of certain economic sanctions which were directed at South Africa when South Africa was in control. The ban on new contracts for the toll-processing of Namibian uranium is lifted with effect from March 21, 1990. I am confident that uranium can become a field of productive co-operation with Namibia and that new contracts can soon be secured. The ban on importing South African uranium remains in place and will be stringently and effectively monitored.

Canada is also moving to normalize export promotion in Namibia. The program for export market development is now available there, and we will be active in promoting trade with Namibia.

[*Translation*]

The Export Development Corporation has been told that there are no longer any barriers to export finance and investment insurance, and the chief executives of major chartered banks have been told that export credit restrictions and other voluntary financial sanctions on South Africa no longer apply to Namibia.

[*English*]

As for development assistance, the Minister for External Relations and International Development is advising Namibian leaders that CIDA will be providing a special independence contribution of up to $1 million to support an expanded program of immunization through UNICEF. This is a high priority for the new Namibian government. With a further $1 million already pledged by the Prime Minister through the Commonwealth Fund for technical co-operation and other aid, total Canadian

assistance to Namibia is expected to exceed $4 million this year. It will be delivered mainly through Canadian and Namibian non-governmental organizations and multilateral channels.

Finally, Namibia has a continuing need for security assistance. There is a requirement to strengthen and reorient the police force so that the stability essential to economic development can be maintained in a climate favourable to human rights. With the concurrence of my colleague, the Solicitor General, the RCMP will soon be providing police training services funded through the Commonwealth, and the RCMP director of training will shortly lead a needs-assessment mission to Windhoek. Namibia is also being invited to join the Military Training Assistance Program already offered by the Canadian Forces to southern African and Caribbean countries.

To mark the actual moment of independence—midnight in Namibia and 5 p.m. here today—a motion of congratulations will be proposed then for unanimous consent in this House.

Namibian independence is a success story for the UN, for South Africa, for Canada and, most of all, for its own people themselves. It is a world class achievement which this House, and all Canadians, proudly applaud.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I welcome this opportunity, speaking on behalf of the Liberal Party of Canada, to add my comments to the statement made this morning by the Secretary of State for External Affairs.

We are of course delighted with Namibia's independence, and we shall be very pleased to support the motion which, Mr. Speaker, I believe you will propose to the House for unanimous consent at five o'clock this afternoon.

Besides the Namibians themselves, I think the happiest person alive today is probably Canada's former ambassador to the United Nations, Mr. Bill Barton, who is at last seeing the results of his efforts. In 1977, acting on behalf of Canada and together with the ambassadors of a number of other countries, he initiated a resolution, universally adopted in the form of a United Nations resolution and referred to as Security Council Resolution 435, which signalled the start of the independence process in Namibia.

The minister has every reason to be proud, since over the years, his department, through various officials, has led a sometimes discreet, sometimes vigourous campaign at the United Nations. Above all, he can take pride in the efforts of over 700 Canadians who contributed, either directly or indirectly, to the event we are celebrating today.

I would like to join the minister in extending our warm thanks to 500 members of our Canadian Forces personnel who certainly played a vital role in the exemplary democratic process that took place in Namibia; 150 members of the RCMP, who also played an important role; 50 elections supervisors who went there to see to it that the election took place according to the best democratic traditions, and another 50 Canadians, including ambassadors, public servants and technicians, who were down there and also played an important role in bringing about the event we so proudly celebrate today.

Of course, I believe most of the credit should go to the Namibians themselves and to the United Nations which, with tremendous skill, was able to break the deadlock at a time when it seemed there was very little hope of having a free democratic election in Namibia.

I think it is also appropriate to mention the role played by various non-governmental organizations. I was particularly impressed by the level of Canadian interest as expressed by a substantial number of these organizations. In this respect, I would like to single out OXFAM Canada which helped to keep the Canadian government up to scratch, as it were, and ensure that the government and its representatives remained dedicated to this cause. I must say that OXFAM kept us very well informed throughout.

[*English*]

In fact, Oxfam Canada regularly distributed news reports and analyses filed by the Namibia communications centre, a Namibian church-sponsored news service. Oxfam Canada launched this program as part of a larger information, education and election observation project founded by partnership Africa Canada, and under the leadership of the United Church of Canada and World University Service of Canada as well as Développement et paix, and, of course, Oxfam Canada.

These reports were distributed weekly across Canada to journalists, members of Parliament, development organizations, solidarity networks and the public at large.

Occasionally, they were complemented with reports from Namibia's leading newspaper *The Namibian.*

• (1120)

I want to express personally and on behalf of my party our sincere thanks to John Graham and to Hein Marais and others for their remarkable jobs and certainly for keeping us on our toes in making this process a successful one.

[*Translation*]

I would also like to mention very briefly the important contribution made by the Canadian Institute for International Peace and Security, which organized a round table discussion on Namibia at a time when the outlook seemed very bleak indeed. I am sure this international round table was also instrumental in persuading the United Nations to clamp down on certain irregularities that were on the verge of spreading just prior to the election in Namibia. I believe that the round table, which brought together a very high-powered group of individuals interested in this issue, was able to submit recommendations that proved very useful to the United Nations.

[*English*]

The success of the UN role in helping to facilitate the transition to Namibian independence, coupled with the fervent desire of the Namibian people to control their own fate through the democratic process, culminated in an election which saw individuals sometimes walking for days through the harsh climate of the Namibian desert proudly to register their votes. In all, 97 per cent of Namibians eligible to vote did just that. It is certainly an expression of democracy and freedom that should serve as a clear signal that despite the hardship of continued repression, freedom will eventually triumph.

I do hope that this example will give faith to many other people in the world who are suffering under various types of dictatorships. Indeed, as the United Nations, helped by countries like Canada and others, tries to emulate a greater effort of freedom and democracy throughout the world, many other individuals like Namibians, will eventually go through this process of free elections and will also be able to have their own democratic government.

Currently we see a tremendous example of this taking place in eastern Europe. I do hope that we shall see the same fervour for independence and democracy take place in some Asian and African countries. It is not something that we should only dream about, but see every nation in the world being free and able to elect their own government democratically.

As the Minister for External Affairs has pointed out, Namibia's peaceful transition to independence should serve as an example to all South Africans that reason in the pursuit of freedom for all members of a society can result in the peaceful transition from oppression to liberty. In this vein, I congratulate the South African government for its role in Namibia's transition to independence and ask that it show the same reason and courage in the upcoming negotiations over the development of a new constitution for South Africa. Perhaps South Africa can look to the spirit of freedom and respect for fundamental human rights contained in the exemplary constitution that the Namibians have adopted as a starting point for these negotiations.

We are pleased that the minister has decided to remove the economic sanctions that have been in place against Namibia. Perhaps this too will serve as an example to the South Africans.

[*Translation*]

In concluding, I may mention very briefly that two of my colleagues, the hon. member for Notre-Dame-de-Grâce and the hon. member for Haldimand—Norfolk have been interested for quite some time in the Namibia question. In fact, the hon. member for Haldimand—Norfolk is down there at this very moment, as a representative of the Liberal Party of Canada.

I would like to conclude with two short quotes from a report the hon. member made after visiting that country recently with several other Canadian parliamentarians, in which he said:

[*English*]

> We affirm our support and friendship to Namibia and urge the Canadian government to respond generously to requests for development assistance particularly to expand training and education programs for black Namibians. We believe that the Canadian churches

and non-governmental agencies are uniquely positioned to be partners with the government in providing assistance.

Obviously, the amount of money that the Secretary of State for External Affairs has announced this morning is a significant contribution. I do believe that Namibia will need much more. I do hope that it will be possible for Canada, through non-governmental organizations or directly with bilateral aid to Namibia, to make a much bigger contribution.

Let me quote again:

> We would welcome Namibia's joining the Commonwealth as one of the most promising new nations. It is important and significant that a peaceful transition to independence in Namibia will have a positive effect on the struggle for human rights in South Africa especially in the battle against apartheid.
>
> As Lester B. Pearson once said: "it is part of the Canadian psyche to accept international commitments". In accordance with our Charter of Rights and Freedoms we readily accept our responsibility to support Namibia's successful transition to independence, and will continue to show our concern for the well-being of Namibia and South Africa in general. After independence, Namibia will continue to be vulnerable to pressure from South Africa. Canada, and the other nations of the world, must ensure that this fragile new democracy is given every opportunity to develop in peace.

[*Translation*]

Finally, I hope that the minister will not only monitor very closely future relations between Namibia and South Africa but will also continue his past and present efforts to end apartheid in South Africa, which will be very soon, I hope.

[*English*]

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to respond to the Secretary of State for External Affairs on behalf of the New Democratic Party. We join with the rest of the House in celebration of freedom and independence in Namibia.

• (1130)

The excitement in Windhoek five and a half hours from now will be exceptional. At the airport planes must leave and park somewhere else as more and more people come to join in that celebration.

As the minister has stated today, this most recent United Nations success story is first and foremost the story of the will and determination of the Namibian people. Members of Parliament, development workers, church groups and other Canadians from all walks of life have taken a keen interest in events in southern Africa for a number of years. Today marks the culmination of these efforts by Canadians on behalf of the people of Namibia.

As Namibia attains independence, it is important to recognize the sacrifices made by those along this road to independence. Over 20,000 people lost their lives in the bloody struggle against South African rule and many paid for their opposition with long years of imprisonment and exile. I met many of those at an anti-apartheid conference that was concurrent with the last Commonwealth conference in Vancouver a number of years ago. We must remind ourselves that this was not a peaceful struggle for independence.

While it is important to recognize the goodwill and the compromises made by all sides to obtain this independence, we will be mistaken if we forget that this settlement was achieved through great pressure, and I think the Canadian anti-apartheid movement should take some credit for that. I know that the role played by Canadians was very important in keeping that pressure on and encouraging our government to act and to speak out forcefully in the struggle against apartheid.

The international community played an important role in bringing the South African government to the bargaining table through policies of economic and diplomatic isolation. These same policies will be essential in any upcoming settlement in South Africa, and it is interesting to note that one of the prime movers of the anti-apartheid struggle, the main symbol of that anti-apartheid struggle, Nelson Mandela, will be in Windhoek this evening for the celebrations.

As well, we would be advised to recognize that Namibia is not entirely free so long as they do not control the essential port of Walvis Bay and as long as they remain economic vassals of South Africa. Canada must remain committed to the full independence of Namibia. Our aid commitments must be even more generous if we are to help Namibia to overcome the poverty and imbalance of years of apartheid rule.

I was pleased to hear the Secretary of State for External Affairs announce further aid to Namibia. Development assistance must be increased if Namibia is to prosper and shine as an example of self-determination. I was gratified to hear the member for Papineau—Saint-Michel extol the virtues of the non-governmental sector and particularly of Oxfam Canada. Prior to my election I

was a colleague of John Graham at Oxfam Canada and I know the level of commitment, not just within Oxfam, but that the other non-governmental organizations have in this struggle. The non-governmental organizations understand only too well that development assistance is part of this struggle for independence. If we are going to have true development and not charity we have to fund those organizations very generously.

Non-governmental organizations have urged the government to do more in this regard, and I invite the Secretary of State to seriously consider these representations.

Today, however, we celebrate with our friends in Namibia and with the many Canadian organizations and individuals who have contributed to this historic event, including the non-governmental organizations, the RCMP and the Canadian military, many of whom live in my riding, who have been to Namibia and contributed to this historic event.

Namibia independence marks the final chapter of a decolonization process of over 40 years in Africa. The last colony in Africa—that has a wonderful ring to it. Today we celebrate Namibia for all of Africa.

In closing, it is with great excitement and enthusiasm that the New Democratic Party welcomes an independent Namibia into the international community.

Some hon. members: Hear, hear!

* * *

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF THIRTEENTH REPORT OF THE CANADA-NATO PARLIAMENTARY ASSOCIATION

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, pursuant to Standing Order 34, I have the honour as vice-chairman of the Canada-NATO Parliamentary Association to present to the House, in both official languages, the thirteenth report of the Canada-NATO Parliamentary Association.

COMMITTEES OF THE HOUSE

BILL C-40—REPORT OF LEGISLATIVE COMMITTEE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I have the honour to present in both official languages the report of the legislative committee on Bill C-40, an act respecting broadcasting and to amend certain acts in relation thereto and in relation to radio communication, with amendments.

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

* * *

PETITIONS

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour and privilege to present a petition on behalf of a number of constituents who oppose what the government has done regarding VIA Rail cuts. The petitioners hope that the government will reconsider its curtailment of VIA Rail service in various parts of Canada.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a petition from a number of constituents commenting on the government's goods and services tax. They feel it is a very unfair form of taxation because of its lack of regard for the taxpayers' ability to pay. They are asking the government to reconsider continuing with this particular tax.

Mr. Derek Blackburn (Brant): Mr. Speaker, I too rise under the provisions of Standing Order 36 to present a number of petitions, totalling some 1,500 signatures from petitioners across eastern, central and southern Ontario. They call upon the Parliament of Canada to reject the current proposal for a goods and services tax and call upon the Government of Canada to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

VIA RAIL

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to rise today to present a petition pursuant to Standing Order 36 which relates to passenger rail service in Canada. Canadians are not giving up in

their struggle for a passenger rail service that will serve them. The petition that I am presenting is on behalf of many of the constituents in the province of Saskatchewan. They ask Parliament for a passenger rail act giving VIA Rail a firm legislative mandate and to revise the costing arrangement for that railway to operate.

In conclusion, these Canadians insist on a passenger rail service which will allow them equitable and reasonable transportation service throughout Canada. This is our national transportation link and Canadians are not going to take its winding down lightly.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise under Standing Order 36 with a petition from people of Ontario, New Brunswick, Manitoba, British Columbia and Saskatchewan who, as well as those whose petitions have been tabled earlier, are greatly concerned about the killing, if you like, of VIA Rail.

This group of people is telling the government that they are joining the efforts of Transport 2000 and of Rural Dignity of Canada in order to obtain justice and satisfaction to what they feel are legitimate demands, and that is the saving of the railway.

• (1140)

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty, on behalf of citizens from across Canada to present a number of petitions dealing with VIA Rail. These petitions are in a different form but they all call upon the government to live up to its original pledge to support VIA Rail and to provide the necessary resources to allow VIA to operate as a modern, effective transportation company.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, pursuant to Standing Order 36, I wish to table a petition from Lebel-sur-Quévillon in the Abitibi area, concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Lebel-sur-Quévillon is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient as it concerns the northern tax benefit system. It does not encourage settlement in the north and offers no incentive to develop northern resources.

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to Standing Order 36, it is my duty to table five petitions from Canadian men and women who object to the government's proposal to impose a 7 per cent goods and services tax on Canadians.

According to your petitioners, this government's record on taxation is terrible. It has introduced 31 new taxes since it came to power in 1984 and raised taxes on manufactured products from 9 per cent to 13.5 per cent.

Your petitioners object to a new goods and services tax because they feel this is a tax Canadians will find very hard to pay, a tax that will put an additional burden on small businesses, cause inflation to rise and interest rates to rise very substantially, and probably increase unemployment to alarming levels.

Your petitioners ask the House of Commons to reject the government's proposed 7 per cent tax on goods and services.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure to present petitions signed by dozens of Canadians who, like the ones mentioned by my learned friend for Ottawa—Vanier, are opposed to the goods and services tax. They have signed these petitions which call upon Parliament to reject the goods and services tax as unfair, discriminatory and wasteful.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 228, 232 and 233.

[*Text*]

CN ADVERTISEMENTS IN THE MAGAZINES "SEAPORTS AND THE SHIPPING WORLD" AND "SAILINGS"

Question No. 228—**Mr. Milliken:**

Since the date of the appointment of Mr. Brian Gallery to the Board of Directors of CN, has CN placed advertisements in the magazines

"Seaports and the Shipping World" and "Sailings" and, if so (a) what number (b) what was the amount paid for such advertisements?

Hon. Douglas Grinslade Lewis (Minister of Transport): The management of Canadian National advises as follows:

a) CN has been advertising in *Seaports* since 1973.

a & b) From 1985 to 1989, CN advertised in *Seaports* magazine, expending between $17,000 and $32,000 per annum to cover advertising in a range of between 8 and 14 insertions.

During the same period, CN had one advertising insertion in *Sailings* magazine, expending $1,200.

CONTRACTS WITH LAVALIN INC.

Question No. 232—**Mr. Nault:**

Has the government entered into any contracts with Lavalin Inc. for maintenance, repair, construction or reconstruction of any buildings at C.F.B. Goose Bay during 1989 or 1990 and, if so, in each case (a) what is the (i) nature (ii) amount of the contract (b) has the work been (i) commenced and, if so, what is the anticipated date of completion (ii) completed?

Hon. William Hunter McKnight (Minister of National Defence): No.

FATAL CRASH OF CANADIAN FORCES CF-18

Question No. 233—**Mr. Harvey (Edmonton East):**

With regard to the fatal crash of a Canadian Forces CF-18, during a cruise missile test over northern Canada on January 29, 1990 (a) was any part of the loss in personnel and material insured and if so, to what degree (b) what are the total costs of the loss (including, but not limited to, the costs of the plane and the costs of any settlement awarded the dependents of the pilot) (c) will any part of the total non-insured costs be borne by the government of the United States and, if so, what part?

Hon. William Hunter McKnight (Minister of National Defence): a) No.

b) With respect to the cost of the loss of the CF-18 aircraft, the crash recovery is still ongoing; figures are not available at this time. In addition, over and above normal benefit payments, e.g., pension benefits, dependents are not awarded monetary settlements.

c) No.

[*English*]

Mr. Speaker: The questions as enumerated by the parliamentary secretary have been answered.

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

Mr. Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

POINT OF ORDER

BUSINESS OF THE HOUSE—SPEAKER'S RULING

Mr. Speaker: Committees sitting at the same time as bells are sounded to call members into the House for a recorded division continues to be a problem in the eyes of some hon. members. On January 25 and again on January 30, first the hon. member for Ottawa-Vanier and later the hon. member for Esquimalt—Juan de Fuca raised this matter.

[*Translation*]

This is not the first time this matter has been brought forward. Last May 31, for example, the hon. member for Hamilton East complained that the Standing Committee on the Environment was sitting at the same time as division bells were ringing in the House to call the members in for a vote.

The Chair appreciates the difficult position that members are put in because they cannot be in two places at the same time. Committees sitting concurrently as the House calls in members for a vote can mean that an hon. member has to decide to attend either the House to cast his or her vote or to attend the committee meeting. This is very often a serious dilemma for members.

[*English*]

Let me first point out that subsection (1) of Standing Order 108 grants powers to standing committees which specifically includes the power to sit while the House is sitting and during periods when the House stands adjourned. Subsection (5) of Standing Order 113 grants exactly the same powers to legislative committees. There is no qualification whatsoever in the wording of these Standing Orders. Thus, it would appear that there is no restriction in our rules which would prevent any committees of this House from sitting at the same time as division bells are ringing to call the members in for a recorded vote.

This view is in keeping with rulings arising from similar situations that have occurred in the past. I can refer the House to rulings of the Chair on February 16, 1971, February 22, 1971, May 28, 1971, May 5, 1976, June 23, 1976, November 7, 1978 and June 8, 1981. These are rulings of Speakers Lamoureux, Jerome and Sauvé, and all are agreed that the Speaker can do nothing in the circumstances complained of in the face of the Standing

Orders. In the ruling of February 22, 1971, Mr. Speaker Lamoureux spoke of records showing that such situations had occurred in every regular session since 1952.

Mr. Speaker Lamoureux pointed out in the same ruling that the Standing Committees of the House of Commons at Westminster interrupt their proceedings in order to allow members to participate in divisions. It is only fair to add, however, that this is the usual practice in our committees. It is a voluntary action to suspend proceedings and respond to the bells.

[*Translation*]

I am concerned about the matter raised by hon. members but, in my view, it is neither a point of order nor a question of privilege. It is rather a grievance but a serious one and in light of the many instances where the matter has been raised on the floor, it is one that merits some attention by the House. Perhaps the Standing Committee on Elections and Privileges might consider the situation and decide whether or not to recommend changes to our rules.

[*English*]

Another issue relating to the bells was raised by the hon. member for Nickel Belt on January 30, 1990. He asked whether a 15 minute bell or a 30 minute bell is not required to sound for the full time provided in the Standing Order. In other words, he maintains that a 15 minute bell must ring for a full 15 minutes and a 30 minute bell for the full 30 minutes. With respect to this point, I should bring to the House's attention the wording of Standing Order 45. The relevant words are found in subsections (3) and (4). They are "—the bells to call in the Members shall be sounded for not more than fifteen minutes" or "—for not more than thirty minutes."

The important words appear to be, "for not more than", which would indicate that the bells can be sounded for any period of time which does not exceed the time mentioned in the Standing Order. It implies, however, that the time for the bells to ring may be less than the total stipulated. Thus, the process followed in the circumstances complained of was proper.

It is interesting to note that in the recent revisions of the Standing Orders creating legislative committees, those committees were given a prior right over that of the Standing Committees to sit during sittings of the House. I am here referring to Standing Order 115, which I will read in part to the House.

> (1) Notwithstanding Standing Order 108(1), no standing or standing joint committee shall sit at the same time as a legislative committee on a bill emanating from or principally affecting the same department or agency.
>
> (2) During periods coinciding with the hours of sittings of the House, priority shall be given to the meetings of legislative committees over those of standing, special and joint committees.

[*Translation*]

The legislative committee thus has priority to sit over the standing committee but no provision is made for situations where the House is dealing with a bill or motion in a similar subject area as that before a committee.

The Chair has suggested that the Standing Committee on Elections and Privileges might also look at this issue to decide whether or not to make recommendations to the House to amend the rules in this area.

[*English*]

I wish to thank all hon. members for their assistance to the Chair in these matters. I must repeat that the Standing Orders, in practice, do not at this moment give the Chair authority to respond more positively to the hon. members' complaints.

* * *

POINT OF ORDER

PARLIAMENT HILL—S.O. 52

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order. I know normally during Routine Proceedings there would be a call for applications under Standing Order 52. While I am well aware of the requirements under Standing Order 52, the fact that a priest was dragged away from the front of the Parliament Buildings yesterday and arrested by the RCMP was going to encourage me to call for an emergency debate on this Draconian action.

• (1150)

In my anger and frustration, myself and a number of my colleagues actually went out in front of the Parliament Buildings this morning to see if we would be arrested as the ordinary citizens of the country were arrested yesterday, only to find out that we were not.

Therefore I missed filing a request with you an hour in advance.

I was wondering if there is any mechanism that you are aware that would still permit me to request that the House adjourn to make the case for an emergency debate on this Draconian initiative.

Mr. Speaker: The hon. member has put the matter to the House. The only way that his application could be accepted would be with complete consent of the House.

Some hon. members: No.

Mr. Speaker: I must advise the hon. member there is not consent.

DEMONSTRATION ON PARLIAMENT HILL

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order on a different matter. Yesterday the Acting Speaker indicated that the Speaker would respond to the concerns raised by hon. members by requesting a report by the Sergeant-at-Arms on the whole issue.

I wonder, Mr. Speaker, if you could indicate to the House and to hon. members, and to the people of Canada, when such report would be forthcoming.

Mr. Speaker: I understand that there was an exchange of views in the House yesterday. I will be discussing the matter with the Acting Speaker, and I will report back to the House as soon as I can.

GOVERNMENT ORDERS

[*English*]

CROP INSURANCE ACT

MEASURE TO AMEND

The House resumed from Monday, March 19, consideration of the motion of Mr. Mazankowski that Bill C-48, an act to amend the Crop Insurance Act, be read a third time and passed.

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the ministerial statement, Government Orders will be extended 31 minutes, beginning at one o'clock.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to speak to Bill C-48, dealing with crop insurance. Although the bill very specifically deals with crop insurance, it is symbolic of the direction that this government is taking and has taken relative to agriculture in this country.

This bill seems to be part of the government's effort to reduce its costs to agriculture across the country. There seems to be little concern in this bill for the viability of the farm or any indication that this insurance bill will assist farms across Canada to become viable in any way. It is doubtful that this bill will help stop the exodus from the farms and farm communities across the country.

This exodus could represent the disintegration of rural communities in Canada. Half of the farms in Saskatchewan, for instance, have disappeared in the last 20 years. In the last few years, this exodus from the farming community and the communities which support those farms has been increasing.

While this bill may have streamlined the process of crop insurance to some extent, there is no doubt that the government's purpose for the bill is to reduce the cost of crop insurance to the federal government.

Cost reduction seems to be the driving force behind all of the government policies brought before us in this last five years. The overriding theme in the minister's Green Paper, *Growing Together* is how to cut down the government's cost and involvement in agriculture?

The government is attempting to reduce the cost of agriculture to itself in a number of ways. During its previous term of government, the Nielsen report recommended a number of ways to reduce the cost of federal government programs. One way to accomplish this is to reduce the service the federal government has provided in the past. The cost of a program is passed on to the provincial government, the municipality, the farmer, or the consumer. Another way to reduce cost is to pass the service on to some other organization which then proceeds to charge a fee to provide that service and make it an extra cost to the farmer.

This often results in passing responsibility and control of what happens in agriculture from the government to the multinationals or other organizations. The final step is to abandon the whole process, in most cases to the market. The government's rationale is that the farmer or

the consumer should have to pay for it. That is the theme of the Green Paper, *Growing Together*.

There is, of course, a great deal of overlap in these areas of cost cutting. For example, how does the government eliminate or reduce the services? In the last session of Parliament we had a number of examples, including the reduction in meat inspection services and the reduction in services of the inspection of seeds that are being sold into the market. The cost of that is passed on to somebody else, or the service is no longer offered. In the case of meat inspection, the service almost disappeared, although the abattoirs, the packers, the processors are supposed to pick it up themselves.

The government has passed on a number of expenditures which used to be part of its expenditures in agriculture. This insurance change is one of them. The cost of this insurance is passed on to the provincial government and ultimately to the farmer or to the taxpayers in the provinces. It no longer appears as a cost to the government. The increase in levies in stabilization programs is another example of cost passed on to the farmer or the taxpayer.

The municipalities, by the very process, have also taken on a certain amount of the costs which were previously federal government responsibility. Every time a rail line is abandoned in Canada, the roads must take up the traffic. That is a cost to the municipalities and provinces due to the increased traffic and maintenance on the roads.

• (1200)

A portion of the cost for branchline rehabilitation, elimination and abandonment and freight assistance has been transferred to municipal governments and of course, the farmer himself has taken up a major portion of the cost which used to be a cost to the federal government. Some of these are the inspection of meat and seed, the operations of the Grain Commission and fuel taxes. Farmers used to get a rebate of the taxes they paid on fuel. That rebate will disappear entirely before the end of the year.

The stabilization levies have been increased, particularly to western farmers. The interest on advance payments used to be picked up by the federal government. That program made it possible for the farmer to bridge the period of time when he needs funds and is unable to deliver any crop he may have left in the bin. The farmer was able to get some money in order to pay his bills. Again in the spring, when it is on occasion impossible to get to the bin, the farmer can get some advance payments to tide him over.

The GST is another thing that is going to increase costs to the farmer. The government has passed some of the costs on to the banks, multinationals and trust corporations in the whole process of credit. The government is removing itself very effectively from the credit structure relative to farms, putting it in the hands of the multinational banks and trust corporations, and forcing the farmer to deal with them instead, to their detriment in most cases. There is a continuing abandonment to the market. In fact the whole of the paper *Growing Together* is aimed at making the agricultural industry much more market oriented.

One of the real dangers to the farm community in this process the government is perpetrating on it is that it is insidious, disjointed and all pervasive. It goes under many names and you cannot recognize it in all cases. You have to look at it very carefully. It goes under the suggestion that you leave it to the market, that you are developing a sustainable economy, that it is a consultative process, that it is cost sharing, that it is cost cutting, or deficit reduction. In every case it is an attack on the income security of the producer. That sounds Draconian and ominous, but it is an attack; a war.

The minister has stated that the seven task forces—and that also sounds like a war—from the Green Paper will report and that when consensus has been reached the government will act. That in itself has an ominous sound because if the government acts on each of these separately as consensus is reached within that task force, it will be making a decision on a very small part of the concerns of agriculture. In the process it is not looking at the effect of those decisions or that action on the rest of the industry.

All fronts, to again use war terminology, will be treated separately. The farmer is expected to protect himself on all of these fronts at the same time. The government is refusing to pay to assist the farmer to protect himself in these task forces. If you want to be represented in the task force you have to find the money to be there. The cost for a farmer funded organization to be represented at all stages of the hearings would be from $25,000 to $50,000.

Again it sounds like a war, a war against the farmer, as it is today. To defeat the enemy you attack on all fronts, and that is what the government is doing. The enemy in this case seems to be agriculture. I do not think it is the individual farmer, but it is agriculture as we know it today. The structure of agriculture as we know it today is under attack in every part and in every way by this government.

The aim of this Green Paper seems to be to take production out of the hands of the farmer and put it in the hands of the processor, which in most cases means putting it in the hands of the multinationals. If you take enough farmers off the farm and put production in the hands of people who are closely attached to the processors, like Cargill, you have in fact put the effect of production in the hands of that multinational.

If you think that is far–fetched, take a look at the free trade deal. Cargill had people at the top level on both sides of those negotiations. It had advisors at the table on both the U.S. and Canadian sides. So, who got a good deal out of the free trade? Cargill.

This insurance bill is just one spoke in the wheel. It gives very little extra security to the farmer. That is why it is insidious. It seems to improve the situation. It suggests that maybe the farmer is getting a little better deal, when actually he is being conned into a situation where he has given a little and has made it possible for a different approach by the government. Except for a quirk in the process of legislation, the government would have had the ability to withdraw from insurance entirely. The bill does not allow it to do that, but it is not the government's fault that the bill does not allow it to do that. It is the fact that the opposition in the House of Commons made a change.

Nothing is being done to assist the farmer and a great deal is being done to undermine. Nothing is being done about the debt. In Saskatchewan, for example, 20,000 farmers are going to be eliminated or affected by debt during the next year or so. There is nothing in this kind of bill to increase the possibility of them staying on the farm. Who will own and operate these farms when these farmers are forced off the land?

The system is being undermined. I could go into a long story about the effects of government legislation on supply management, the putting in place of quotas. It makes me a little suspicious all the way around. If they undermine the supply management system by increasing the quotas and saying they are supporting it every time we talk to them, you become a little suspicious about what kind of defence they are making of Article XI at the GATT talks right now.

Nothing seems to be happening regarding the promised money for seeding on the prairies. We all know that the farmers there are waiting for money to seed. It has been promised. We are told that they are looking at it, but nothing is happening. There is nothing on the table, not even a promise that you can take to the bank and ask for some money. The banks are refusing to supply that money for seeding.

• (1210)

Even though I recognize some value in the changes in the crop insurance bill, I cannot support this bill. It is part of the process of destruction of what I know and love of rural Canada. By doing it a little at a time, the government is ensuring that there will eventually be such anarchy in the agricultural industry that it can eventually be dominated by those strengths in this economy which would rather see the control of production in the hands of someone other than the farmer. If this is a move in that direction, neither I nor anyone who loves and believes that rural Canada is worth saving can support it.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I wonder if the hon. member could expand briefly on his comments with regard to reduction of service and the implementation of fees for service under this government, which carried out a program begun by the previous Liberal government. Perhaps he does not have the numbers in front of him, but could he tell us what this is doing to the actual taxpayers' costs for agriculture and how this is costing farmers even more than the numbers that he utilized in his speech?

I understand that the spending estimates for agriculture have dropped from something like $3.2 billion two years ago to in the neighbourhood of $1.8 billion or $1.9 billion this year. When we take into account the receipts which do not show up as a net figure in the Estimates, the actual cost to the Department of Agriculture is something under $1 billion this year in terms of government funding. This means that less than 1 per cent of government revenues are going into the whole area of

agriculture which employs something like 20 per cent of the population from farm gate to consumer.

Mr. Hovdebo: Mr. Speaker, I appreciate the approach that the member has taken. It is very obvious, if we look at the Estimates, that there has been a considerable reduction. If we look very closely at the Estimates, we will find there is some fiddling in there that we have not quite got to the bottom of yet. If we take a look at the expenses of the Farm Credit Corporation we will be amazed at the increase that appears in the Estimates but does not appear in the operations of the Farm Credit Corporation.

In the last year and a half we have done some investigations of the impact of changes in government policy on the farmer or on the taxpayer. In some cases the taxpayer does not have to pick up the cost; in some cases it disappears. For instance, I mentioned the fuel tax rebates. That is going to be reduced by $125 million this year and by 1991–92, with the excise and the sales tax back on, it is to cost farmers about $260 million.

In the last session we had the elimination of two–price wheat which cost farmers $240 million. We have increases in the stabilization levies I mentioned before which are now costing the farmer an extra $91 million. The elimination of interest–free advances for farmers is costing them over $27 million.

All those areas have a direct impact upon farmers. The crop insurance bill that we have before us in itself, according to the government Estimates, is to save it $90 million in 1989–90 and $110 million in 1990–91. Again that is an indirect attack on the farming economy, in that at a time when the farmers are really short of income they find themselves having to pick up more and more of the costs which over the years have been the costs of the government relative to its involvement in agriculture.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, during the course of the committee hearings on the crop insurance legislation, we heard representations from virtually all farm organizations indicating that the crop insurance program was quite inadequate in handling losses due to depredation by wildlife. There is a clause which deals with depredation under the Migratory Waterfowl Act. The American and Canadian governments have come together to provide some forms of assistance where geese, cranes, or ducks move in on crops and clean them out. They provide a spot loss kind of adjustment process which normally occurs with a federal–provincial agreement each year, although there have been a few years when some of the provinces have failed to complete those agreements.

Has the hon. member any opinions on whether wildlife depredation by elk, deer, racoons, or blackbirds for that matter, could be treated on a spot loss basis something like hail damage is now? Could he speculate on why the government chose not to include that permissive possibility in the legislation?

Mr. Hovdebo: Mr. Speaker, one of the concerns of all the people who came before us was the division of sharing of costs. One–third, one–third, one–third was what they all wanted, which they did not get. A good number of these people suggested that waterfowl coverage should be changed to wildlife coverage.

To be fair, I have to say that the changes in the waterfowl coverage are somewhat of an improvement in that they have established a structure that makes it much clearer, because it will now be in the act and it will also pay relative to what the farmer got off the rest of the field in a spot loss, which it did not before. It was estimated by someone and the farmer got paid. One of my neighbours, for example, got $600 in crop loss for half of his field and he took $6,000 off the other half. This really was not a fair payment.

The insurance people tell us that wildlife damage can be claimed under spot loss insurance, but I know from discussing it with the farmers who were before us, farmers in my area and from personal knowledge, what can happen in the case of wildlife. A herd of elk in my area can eliminate a field of alfalfa in one night. The farmer cannot claim that under any of the insurance policies.

It does need some clearing up, and I see no reason why it cannot be put into the regulations in such a way as to cover these situations. We do it in other parts of insurance programs for crops, and there is no reason why we cannot recognize wildlife damage in such a way that the farmer can claim under the insurance programs presently in place.

• (1220)

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, it gives me great pleasure to rise today to join in the debate on third reading of this bill, an act to amend the Crop Insurance Act.

I listened with great interest to the member for Saskatoon—Humboldt. I must commend him on his remarks. It is quite easy to see that he not only has a great amount of expertise in the area but speaks with a tremendous amount of passion on agricultural matters. You may think, Mr. Speaker, that as a relatively new member with virtually no agricultural background I am easily impressed, but I think all members in the House look upon members such as the one who spoke previously with a great regard.

I know we are not supposed to comment on who is and who is not here, but I see the parliamentary secretary on the government side, the member for Huron—Bruce, and the member for Kamouraska—Rivière-du-Loup who care tremendously with equal passion about agriculture.

In opening I should like to refer to remarks made by a colleague of mine, the hon. member for Algoma, as reported in *Hansard* of March 14 on page 9289 when he said:

> This bill does some very good things. It provides for greater benefits to be paid under the crop insurance legislation, but the percentage of the premium is the problem. It does not provide for tripartite participation.

He continues:

> Practically every farm organization in this country from the prairie pools to the Ontario government, to corn producers, to soybean producers have asked that the percentages be 33, 33 and 33.

That brings me to the words of the member for Mackenzie who indicated that this particular piece of legislation, Bill C-48, was inadequate. I believe it is just another example of the government's strategy, its diminishing commitment to Canadian agriculture. This legislation simply follows the trend established by this Conservative government to reduce agriculture support programs regardless of the financial hardship caused to our farmers.

It is becoming more and more obvious as the days go by that the government's Green Paper on agriculture entitled *Growing Together: A Vision for Canada's Agri-food Industry* should possibly be renamed. I would suggest the title "Going Broke: A Blueprint to Dismantle Canadian Agriculture."

The reason behind crop insurance is clear enough. It is to provide protection for farmers who suffer crop loss. Obviously this is a very important program. It gives our farmers a measure of security against the many risks they face in growing their crops. It is therefore very unfortunate indeed that the federal government by way of Bill C-48 will continue to make farmers pay high premiums for crop insurance coverage.

High crop insurance premiums simply add to the increasing costs of farming. This financial burden is a factor in producers deciding to take out less insurance coverage. When farmers are forced to take less coverage, the demand for *ad hoc* programs such as the special grains program or the drought and flood relief programs is increased and perpetuated such as we have witnessed over the past several years.

I would like to refer to some comments of the Ontario Agricultural Commodity Council, a highly regarded group representing many commodity organizations such as the Ontario Apple Marketing Commission, the Ontario Bean Producers Marketing Board, the Ontario Cattlemen's Association, the Ontario Canola Growers Association, the Ontario Pork Producers Marketing Board, the Ontario Soybean Growers Marketing Board and many others.

Very briefly it says:

> The major reason for crop insurance reform is to eliminate the need for *ad hoc* weather related relief assistance by providing an affordable and flexible program in which farmers will participate.

Bill C-48 does not provide adequate changes to the current Crop Insurance Act. It does not create an equitable sharing of the program's cost between the federal and provincial governments and the producer. It is clear that the primary objective of crop insurance reform is not achieved in Bill C-48.

A letter to the hon. Minister of Agriculture from the Ontario Pork Producers Marketing Board says it very well, simply and concisely. It reads:

> Premium costs should be shared equally between the federal government, the province and the producer.

The Canadian Federation of Agriculture, again with regard to the tripartite program, says:

> We will particularly continue to press for the legislation to allow for a one-third federal government, one-third provincial government, one-third producer cost sharing.

That just highlights the inadequacies of this particular piece of legislation.

It seems quite counterproductive and ironic to have a program which is supposed to protect farmers being itself placed in jeopardy by the government. Farmers are once again being denied the opportunity to participate fully in this program as many are not able to afford the high premiums. Furthermore, the problem will be exacerbated as the premiums increase as a result of Bill C-48. Producers who were unable to afford crop insurance last year will certainly not be able to do so in 1990. So much for crop insurance reform.

The government will, of course, say that the amendments contained in this bill will make crop insurance more attractive to farmers. This simply is not the case. The following should be obvious even to this government. If crop insurance premiums are so high that farmers cannot afford them, what benefit is there in improving particular aspects of the program when farmers will not be able to participate in it?

The changes in the cost sharing formula contained in Bill C-48 reduces the federal government's contributions to the crop insurance program from 50 per cent to 25 per cent. The government shifted the other 25 per cent to the provinces. While crop insurance is co-ordinated by the provincial governments, this move nonetheless reflects the recent federal government policy of dumping its responsibilities on the provinces as seen in the recent budget. Currently the provinces contribute 10 per cent to the cost of the program. Farmers will continue to pay the remaining 50 per cent. A tripartite arrangement would see the cost shared equally by all three parties.

• (1230)

According to the Ontario Agricultural Commodity Council this decision by the federal government on cost sharing represents no improvement for producers. The vice-chairman of the council is indeed correct in his assessment when he said:

> The government's objective has been primarily cost savings for the federal treasury with only marginal improvements provided for farmers. There would be little to show for all of the time, effort and finances that have been devoted to crop insurance since 1986-87.

The decrease in the government's support of this program will create higher premiums for crop insurance. For example, Bill C-48 will enable insurance coverage for corn producers to rise from 80 per cent to 90 per cent. This translates into an increase in premiums from $5.71 per acre to $10 per acre and almost doubles the current premium for only a 10 per cent increase in crop coverage. The rise in insurance premiums will simply increase the number of producers who cannot afford to take out crop insurance.

It is not unheard of in Canadian agriculture for the federal government to participate in tripartite arrangements with the provinces and producers. Such an arrangement already exists in the tripartite stabilization for beef and pork producers with all parties contributing one-third of the program costs. It is not unreasonable, then, to question why the federal government does not see fit to have a tripartite system for crop insurance. The answer of course is that the government does not want to do so. In fact, it is more interested in cutting its contribution in half than to have the three parties equally share the costs. This is simply not good enough. Canadian farmers and the national and provincial farm organizations will no doubt agree.

Organizations such as the Canadian Federation of Agriculture and the Ontario Pork Producers Marketing Board joined with farmers across Canada to try to convince the government that an equal cost sharing arrangement would be the most constructive course of action for crop insurance reform. A tripartite crop insurance program would indeed be very welcome. It is most unfortunate and unreasonable that the government chose to ignore these representations. The government has instead decided to do what it wants and not what would be best for either the viability of the program or for what is the most beneficial to producers.

In conclusion, the reasons behind the government's decision to limit its contribution to the crop insurance program is not based on any desire to support Canadian agriculture or to ensure that producers will be able to maintain and afford protection for crop loss. The decision is based on the government's over-all plan to reduce agricultural support programs in this country. It is indeed

sad that in the final analysis it is once again the Canadian farmer who will suffer. I simply cannot support this bill.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, as the hon. member for Stormont—Dundas knows, this is a very important bill. That is why it should be given more serious attention. The shared cost provisions of crop insurance in this bill are also very important, and the hon. member has mentioned those.

It just seems that the government does not care about the weather and how it affects farmers. It is the bottom line on the Minister of Finance's budget and his Estimates that the government seems to be most concerned about. As the hon. member indicated, it almost looks as if the government's philosophy is to kick the farmers when they are down. This is very well exemplified by the fact that when the farmers met early last July they were agreed on a one-third, one-third, one-third breakdown with the federal and provincial governments on the cost shared program for crop insurance. Then when the federal government and the provinces met at the end of July, it ended up at 25 per cent for each of the two senior governments and 50 per cent for the farmers.

Does the hon. member not feel that this relates to the very important face-saving of the Minister of Finance on his projections in his budget and how he wants to come out looking good on them? Or, is this just another example of the leadership of this federal government in trying to bring the agricultural community in Canada down to the level of no subsidization at all, no assistance whatsoever; let the farmers loose to sink or swim in competition with the American agricultural industry as a result of free trade?

Is this a continuation of the same kind of deal that we saw this government give Canadian agriculture under free trade? Here is another example of the federal government refusing to give the agricultural industry in Canada any support whatsoever because it wants to look good on its financial statements and it could not care less about what is happening out there.

It is going to make the farmers pay more for crop insurance at a time when the climate of this country has been very cruel to farmers. Should there not be a more flexible system than the one in the minds of the Minister of Finance and the Deputy Prime Minister who are handling this very crucial issue?

Mr. Kilger: Mr. Speaker, I would like to thank my colleague for his comments and his question.

It has become increasingly evident that this government and its policies are largely, if not entirely, budget driven. We would recognize the good intentions of members on the opposite side of the House, but when it comes to delivery we see quite clearly that the bottom line prevails. Certainly this is a time when the agricultural industry is experiencing some very difficult times, as are the fisheries and other areas of our economy. But the level of anxiety is at its peak in the agricultural industry, if you will. When more stability is required it seems to be lacking in the leadership displayed by the government of the day.

It would appear that the biggest obstacle for the government might be the question of credibility. We hear quite repeatedly of its support of supply management on the one hand. On the other hand, and returning back to the *Growing Together* Green Paper, we repeatedly refer to having to become more market oriented. I have difficulty finding the compatibility between those two areas.

The agricultural community is increasingly being brought to its knees. Thank goodness for the farmers themselves and for their inner strength. They have demonstrated in the past how they have been able to adapt. Surely it is not too much for them to expect greater leadership from this government to assist them at this very critical time.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, we are debating today the merits of Bill C-48, a bill to amend the Crop Insurance Act.

In many ways it seems to be a fairly innocuous bill. It makes some technical improvements in that it increases the amount of coverage available to farmers. It includes some crops that have not been included before. Thus it does not seem to be a terribly striking bill; it is mainly technical in nature.

• (1240)

However, when one looks at what is motivating the government in proposing this particular legislation, it seems that it might very well be another aspect of what we have been seeing so much of, that is to say, the government withdrawing piece by piece from various

sectors of the economy, bit by bit from various contributions that it makes to the assistance of different sectors of the economy. That is particularly shameful at this time in the field of agriculture.

Many of the groups that appeared before the committee said that there is already a problem with insurance premiums and coverage. Those farmers who are most in need of coverage, who have been hit year after year by drought—as has occurred in many parts of my province of Saskatchewan—and who are on marginal farms are already having trouble coming up with the crop insurance premiums.

Instead of the government recognizing that, and making it easier for farmers to get involved in the crop insurance program, this piece of legislation raises crop insurance premiums, particularly for the better types of coverage. The producer groups and the producers spoke eloquently in this regard. Members have reflected on the different groups which appeared.

What the government should be doing is coming forward with a tripartite approach, as it does in so many other aspects of agriculture. Surely, a one-third, one-third, one-third approach is the route to go. That is something at which the government needs to take another look in this legislation. It is certainly one of the reasons that we will not be supporting it.

Farmers are quite right to wonder about the government's commitment to its involvement in this crop insurance program. I believe it was only a few days ago that the hon. member for Mackenzie wanted to make sure that at least the 25 per cent of federal contributions to which the bill alludes is enshrined in statute, that it be a guarantee of 25 per cent government involvement.

In fact, the Minister of Agriculture, the Minister of State for Grains and Oilseeds and various spokespersons for the government stood and spoke against that suggestion. They said they needed this flexibility in case a province were to shirk on its contributions or something else happened in a particular year in a particular province.

That gave farmers an indication that not only was the government planning to withdraw to 25 per cent, but that in fact it had plans to leave its options very much open with regard to the 25 per cent. As you may recall, Mr. Speaker, it really was just by fluke that the 25 per cent guarantee came through because the government was asleep at the switch and ended up voting against its own position.

When we look at the background against which we are proposing this bill, it really seems like a very inadequate response to the type of crisis we are seeing today in the farm community. Particularly in the prairies among grain producers, but also right across the country, farmers are losing their farms. Farm families are seeing generations of work go down the drain. Rural communities are not able to fill their schools or keep up their skating rinks, and so on.

In the province of Saskatchewan alone, one-third of its farmers—that is about 20,000 farmers—are tottering on the brink of disaster in this crop year. Many of those are farmers who had until now thought they were doing all right and had their debt loads under control. They were not the kind of farmers who, when money was free and easy a couple of years ago, borrowed a whole bunch of money and perhaps in some ways authored their own misfortune.

It must be added that in those days representatives of the Royal Bank went around from farm to farm in a nice little van with a desk in the back at which you could sit down with your friendly banker. The banker would ask how much you wanted, and if all you needed was $10,000, the banker would go through your statements and if he saw that you had so much equity in your farm he would encourage you to borrow a little more. You could perhaps buy a new piece of equipment that you really were not planning on buying. Those are days that are long gone now, but that is how a lot of people did get into trouble. That particular aspect was made worse by the cost allowance provisions in the Income Tax Act which were changed overnight and which left a lot of people high and dry.

What we have seen too with this government's response and the reason why people are cynical about this and finding it so inadequate is that we have an immediate crisis on our hands. Rather than debating technical adjustments to the crop insurance program, I think it behooves us to be talking instead about the crisis which is confronting agriculture—the 20,000 farmers on the verge of going broke. There are very many others who are not able to farm the way they should. We might in fact end up with Canada having much less of a crop to sell in the export market than it otherwise would have.

Last November when I attended the Saskatchewan Wheat Pool annual meeting the president of that organization, Mr. Stevenson, put out a call for a $500 million payment to Saskatchewan. We have been hearing that for months. At that time it was already becoming clear that in the coming crop year there was going to be not only very low income among farm communities and farmers, but no income at all.

Next year it is forecast that in Saskatchewan there will be a minus income of $9.4 million. In fact there will not be anything to live on, there will not be anything with which to pay debts. There will be a minus income when it comes to income and expenses of $9.4 million. This means that, on the average, farm families across Saskatchewan will have nothing to live on and nothing to pay for their labour with. Of course that spells very disastrous times, not only for those individual farmers but for their families and their communities.

In many communities one spouse or the other has to leave the community in the winter to look for work in the cities of Alberta and British Columbia because there is no work in Saskatchewan. The Conservative government of that province has seen to that. That creates all kinds of stresses and strains on the family because not only are they already in debt, many of them feel guilty that family farms which have been built up over the years are in danger of disappearing. Also, there is separation from families which adds crisis to farm family life.

What we have seen is this government withdrawing from agriculture support right through the course of its term of office. Not only have we seen actions which have restructured agriculture, for example, taking oats out from under the Wheat Board without consultation, we have seen the price of oats fall dramatically to the point where it is hardly worth growing. Farmers were never consulted on that. They have called repeatedly for a referendum but never got it.

We lost the two-price wheat system. I have checked the Estimates closely in this regard. We were assured in Prince Albert by the Premier of Saskatchewan that just because free trade meant two-price wheat was going—it was worth about $800 million a year—we would certainly see that money returned to farmers directly. I have not seen anything in the Estimates since I have been here which would reflect that kind of payment back to farmers.

We see a restructuring of agriculture in the agri-business model. We in Saskatchewan have always looked across the North Dakota border and have seen where that kind of approach has been taken. Rail lines have been consolidated. There are much larger elevators, and much larger farms. The population there has been disappearing from communities. You have towns without schools and very poor hospital services. What gradually happens is that not only does it become economically not viable to live in these rural communities, the lifestyle becomes so inadequate that families do not want to live there. The services are not there for their children and the whole rural way of life starts to crumble.

What do we need instead of this particular program? Certainly we need the $500 million that the farm community has been calling for. Here, again we see one of these now you see it, now you don't kind of smoke and mirror shows. It is just like going to the fall fair and walking through the house of mirrors when it comes to the $500 million or whatever the assistance payment will be. We heard the Minister of Agriculture earlier in the year say very categorically that there would be a payment in the hands of farmers before spring seeding. The time for spring seeding is getting closer and closer. People are already making their cropping decisions and certainly there is no money.

• (1250)

We have been pursuing that in the House. First, we heard that perhaps the money might be late in coming but nevertheless we would have a firm announcement very soon. There have been consultations going on continuously, allegedly. Surely, in this time of consultation with bankers, with ministers and with provincial officials there has been plenty of time to come up with a program. The need is surely there. Still we have not seen an announcement.

I would like to take this opportunity to call on the government to make an announcement on that payment because it is absolutely critical so that farmers can get on with their seeding plans.

As well, we have to start looking at the whole question of restructuring the farm debt. It has always struck me as absurd that we structure our farm debt in this country so

that every generation has to buy the farm over and over again. Every generation is in hock to the banker and creditors and paying interest over and over again.

Especially with high interest rates that have been prevalent over the last 10 years, anyone who got into farming in that time has found that they are very lucky just to keep up with interest payments. In many cases the farm debt that started out at a relatively modest level has in fact grown. I have had phone calls from many farmers who have said that 10 years ago they were $70,000 in debt and now they are $150,000 in debt. More and more land in the farm communities in the province of Saskatchewan is being held by financial institutions and by the Farm Credit Corporation. We need to get urgently at the problem of restructuring this farm debt. If we do not look at the restructuring of this farm debt it is going to end up in the hands of financial institutions. Those families which have been farming that land for all these generations will not get the opportunity to do so any more. Once it is gone it is very hard to get it back. That is one of the big reasons for the depression, the sense of hopelessness that pervades many farm communities.

I am concerned that this legislation is really being introduced in a bit of a policy vacuum. We had a conference to discuss the Green Paper on agriculture which is entitled *Growing Together*. This conference was called the Outlook Conference. I would like to rename the Green Paper "Growing Broke Together", a more appropriate title.

This conference spun off a number of task forces which are just starting to meet and report. My understanding is that while they might individually be doing some good work, in fact there are no linkages between them. Farmers do not know whether the task force on sustainable development, the safety net, transportation, marketing or the various areas they are looking at such as research and development interact. I understand there is no mechanism within the Department of Agriculture to make those kinds of linkages. It seems very premature to me to be talking about this as a panacea to the farm program.

Therefore, I would like to move the following motion:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-48, an Act to amend the Crop Insurance Act, be not now read a third time but that it be read a third time this day six months hence".

I would like to go briefly through the reasons why I am proposing this motion. First, it is very important to review two things about the bill itself. One is the review of the cost-sharing formulas that have been included. Farm groups have made it very clear that their members will find it difficult to maintain the kind of crop insurance that they need with these 50 per cent premium levels. I think that aspect needs another review to make sure that farmers are able to get the crop insurance which is in fact intended for their benefit.

Second, I think we must do this to ensure that the government comes through with its commitment to assist farmers with their seeding program. I think that commitment is coming more and more into doubt as we listen to ministers make assurances which are more and more vague about what form this in fact will take. They cannot answer whether it will be a loan, whether it will be an acreage payment, on what basis it will be paid, when it will be paid out and so on. I think the government needs to be reminded of that.

Third, I think we need to make sure that we no longer continue with *ad hoc* agriculture programs. Before we adopt this particular piece of legislation we must be very clear that coming out of the task forces and the policy thrust being proposed by this government will be the context for the future of this legislation.

The Acting Speaker (Mr. Paproski): I will accept the hon. member's amendment.

Are there questions or comments?

Mr. Maurice Foster (Algoma): Mr. Speaker, I was very interested in the comments of the hon. member for Prince Albert—Churchill River. He seemed to be putting the argument that the government really has no reason not to go ahead and announce the special financing program so that farmers can plant their crops. I think back over the last four and a half months when this question has constantly been put to the Prime Minister, to the Deputy Prime Minister, to the Minister of State for Grains and Oilseeds and to the associate minister of agriculture. We always hear the argument: "We are the last of the big time spenders. We have provided $20 billion over the last five years".

The echo that I heard from the prairies when I visited with a number of producers there last week was: "We are not talking about the last four years. We know it has been the worst time in Canadian history in agriculture. What we want to know is whether the government is going to come forward with a special program of financial assistance to help farmers this spring so that we can put in a crop." I do not know how more graphic you can have it.

The minister of agriculture for Saskatchewan and the premier of the province went on province-wide television two weeks ago tonight and pleaded with the federal government to provide assistance. If that is not a dramatic move, I do not know what could be more dramatic.

A week and a half ago when I was in Saskatchewan I was reading a copy of *The Leader Post* of Regina, the March 7 issue. It pointed out graphically the problem facing rural Canada in Saskatchewan. It pointed out that the number of bankruptcies in farm and farm service operations in Saskatchewan in January of this year totalled 16. That is equal to the total number of farm and farm service bankruptcies in the province of Saskatchewan in 1980. In fact in 1989 there were 152. In 1988 there were 115. In 1987 there were 85, and so it progresses on down.

The Deputy Prime Minister and Minister of Agriculture like to tell about how terrible things were when the Liberals were in office. Clearly, if you look at the number of bankruptcies last year you will see that there were 152. In January of this year we started off with 16 totalling losses of $3 million.

The article went on to point out that the second largest group in Saskatchewan was the retail trade industries where 11 businesses went into bankruptcy involving $1.6 million worth of liabilities.

I would be willing to bet any amount of money that every one of those retail service industries went bankrupt because of the serious problem in cash flow in farms. That is what we are talking about here as we debate Bill C-48. We are talking about crop insurance.

We want to see the government make a commitment now with regard to cash injections. The leader of the Liberal party in Saskatchewan, Lynda Haverstock, has recommended that it be $20 per acre for seeded acres and that it be something less for summer fallow. The premier is calling for roughly $10 per acre in Saskatchewan and a further injection throughout the year.

• (1300)

We do not need to get into the details. We just need the government to make this announcement today. This report from *The Leader Post* about the number of bankruptcies calls attention to the very serious problem facing the industry and the need for a cash injection and financial support in order to put in this year's crop.

Mr. Funk: Mr. Speaker, I thank the hon. member for pointing out those very graphic statistics. As the hon. member knows, for every business that goes bankrupt, there are probably 10 entrepreneurs who walk away from an intolerable situation or walk away from their debts. Bankruptcy comes at the end of a long legal process that a lot of people do not bother going through. You can factor that by at least one to ten.

The hon. member's remarks also reminded me of what the Prime Minister said during the election campaign. In Dundurn, Saskatchewan, on October 7, 1988, the Prime Minister said that "the government was not going to allow a single farmer, not one farmer, to hang out to dry simply because the Americans and the Europeans have this subsidy war going on. Until the matter is brought to a halt, the Canadian government has a responsibility to step in and defend the interests of the Canadian farmer."

"Not one farmer to hang out to dry", he said. Already in the month of January, the member alluded to 16 farmers that got hung out to dry. The member talks about the need for this program. The government is shifting more and more to *ad hoc* programs and this continual crisis kind of management in agriculture. As the member for Saskatoon—Humboldt pointed out, over the last two years while the government has bragged about the amount of money it has put in special grains programs and so on, it has also cut $1,077 million in ongoing farm programs that farmers could count on from year to year. Those were the contributions they now have to make through Western Grain Stabilization, fuel tax rebates, increases in crop insurance, which we are talking about, branchline rehabilitations and so on. We are into a crisis management mould.

The third point that needs to be made is with regard to why this program is so slow evolving, this very desperately needed program for financial assistance. Members from the prairies, on all sides of the House, I am sure are getting calls daily from very desperate farmers. In spite of his very obvious qualities, abilities, and skills, I think the time has come when the Prime Minister needs to look at whether or not we should have a full time Minister of Agriculture. I know the kind of clout that Minister of Agriculture has is certainly worth-while to farmers. On the other hand, we have been dragging on for four months with an obvious crisis. We seem to be no closer to being able to make the decisions and carry on the consultations that will put this money in the hands of farmers. It is time to consider very seriously whether or not the agriculture load, the massive crisis, and the need for a full scale policy review, doesn't require that the country have a full time Minister of Agriculture.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I am happy to take part in this debate, but I wish we did not have to.

I am a child of the Dirty Thirties. All during the war and following the war, the struggle that went on by the farm community and the provinces to get some kind of a crop insurance program took years of doing. Federal governments of those years were persuaded to launch such a program. Initially, the provinces agreed to pay all the administration costs, including the crop insurance inspectors. The federal government and the farmers shared fifty-fifty in the premiums.

There is an old saying: "If it is working, don't try to fix it". All that needed fixing was additional kinds of coverage. This bill follows the same pattern as a number of other items of legislation. The government is following through on what it said about giving the provinces more say, more participation, and more involvement. What that really means is shifting the costs of programs that are a federal government responsibility, no one else's, onto the provinces. In some cases, it even shifts costs of the federal government's not only on to the provinces, but on to municipalities and on to individual farmers.

One thing that bothers me about this bill is that of all the times to bring about this kind of change, it is not now. If we had good crops and prices were good and what not, there might be some validity that farmers could afford to pay more. I look at some of the premium increases that will affect people like tomato growers and winter wheat growers and so on at a time when prices are depressed, particularly on wheat. The nicest thing I can say is that the government's sense of timing is that it is about as bad as it can be.

If you had good times, if you were going to make this change and it was one that you were committed to ideologically—part of your government's policy—one would be more hard put to argue. But it should not be an occasion when my province of Saskatchewan is in as bad a financial and economic condition as it was in 1938. If you transferred the situation into the 1990s, in terms of dollars or anything else—in fact, in many respects because we have a lot more things now to worry about than we had in 1938—we are worse off in 1990 than we were in 1938.

Our province is bankrupt. Its bond rating was reduced recently, and that is going to be happening some more. I remember, following the end of the war, my province could not borrow a nickel anywhere in the private market. My province was faced with every farmer having seed grain debts going back to the early thirties. There was no hope of getting enough money to pay them off. Every municipality had relief debts, payments made out to farm families all over the prairies in those years. We recovered from that during the war and the first number of years afterwards because we were feeding the whole world that had been devastated by war in Europe and Asia.

In light of what our neighbours to the south of us and the European Economic Community are doing, all their talk about free trade and getting rid of tariff barriers is sheer nonsense. When it comes to the crunch they are the first ones to protect themselves and to heck with a country like Canada, and we fall for it.

This bill is going to cost the federal government less and it is going to cost the provinces more. No matter what political stripe of my province—at the moment it is a conservative one—is in debt something over $3 billion. That is about as bad as it was in 1938 if you translate the then debt into 1990 dollars. So we are in the same shape.

Now the federal government is going to pick up half the administration costs. Before the provinces paid all the administration costs. The federal government is going to pay half of the administration costs and the provinces are going to pay half. In exchange, if you can

call it an exchange—it is not a fair trade—the provinces will pay half of the premiums, which comes to a heck of a lot more than half of the administration costs. This was a bad deal for the provinces. This does not resemble one-third/one-third/and one-third to me. The provinces got sucked in on a bad deal. But, of course, considering the fact that the four western provinces have Tory governments one can expect them to be suckers with their so-called sound business practice. The provinces just should have said, no, on day one.

• (1310)

The program of crop insurance is, in effect, being eroded. Farmers are in no position to pay higher premiums. The provinces and the municipalities on the prairies, and I suspect the same is true in central and eastern Canada, are having enough trouble as it is. This is the stupidest time of all to try to bring in these kinds of changes. It was a struggle over the years to get crop insurance which people could afford.

Some special assistance for spring seeding has been mentioned. That is what we went through in the years when I was just a kid, growing up. The special assistance was for seed grain. There was hardly a quarter section of land in Saskatchewan without a lien or a caveat on it for seed grain debts. It was not until 1944 under Tommy Douglas that the province took those debts for seed grain off the backs of farmers and took the relief payments off the backs of muncipalities. These had been piling up for years.

There has been much talk about some kind of a national disaster fund for agriculture. This is a good idea whose time has not come, and will not come under this government. We have crop insurance and that covers the dealings we have with Mother Nature. She decides and there ain't a darn thing we can do about it. So we try to protect ourselves collectively: the farmers, the provinces and the federal government.

There was the income stabilization bill, which was designed to protect farmers from the vagaries of the market. There are those who would say that we have to have a free and open market system. It is free and open, but it ain't free for farmers. All farmers have had is price lowering. The income stabilization program was designed to protect them from the vicissitudes of the market. You had a combination of two things, to try to provide a measure of stability and insurance. They both are essentially insurance programs to which the farmers contribute and contribute handsomely.

Now we need a third one. We need some kind of insurance for agriculture, generally, to protect the farmers from this kind of government. Anybody stupid enough to make these kinds of changes in the crop insurance program, in light of the conditions that our farmers are in, has to be some kind of congenital idiot or else just plain ignorant and stupid. I do not know if there is any difference in those, but I cannot judge it any other way. It was working, it needed some improvements, and it still does; nobody is arguing about that. We will all work and discuss improvements that we can bring in over the coming months and years.

There is an area that I have always felt strongly about. I like to go hunting for goose, duck, sharp-tailed grouse and Hungarian partridge and I have always felt that people like me in Canada—and there are a few million—should make a contribution to the cost of conservation of wildlife, but also to the cost to the agricultural community from wildlife crop loss and damage.

I do not know what the situation is right now. I tried to get an answer from the Minister of Agriculture one day last week. I know for years a portion of my hunting licence fees went to this very thing. Some went to wildlife preservation and some went towards wildlife crop damage. That was always separate from crop insurance but I think it should be included.

Those who go hunting and fishing should make a contribution, although I do not know of any fish that are damaging our crop—we do not have any rain. That is an area which needs to be included in the crop insurance program. I, as an ordinary citizen and one who likes to hunt and enjoy the outdoors, am perfectly willing to make a contribution towards the cost of that kind of protection for our agricultural producers.

I have seen what 12,000 or 15,000 Canada geese and 5,000 or 6,000 sand-hill cranes can do in an 80 acre field of swath. You have a pretty large mess and I have seen what can happen. Many efforts have been made by Ducks Unlimited, by municipalities and provincial governments to provide lure crops, safe habitat and feeding

areas for wildlife, but you cannot cover it all. Canadians, as a whole, should make a contribution.

Some Canadians who enjoy hunting of all kinds should be making an additional contribution. I am quite willing to do so. I know the Saskatchewan Fish and Game League and various groups in my province support a portion of our licence fees going into that type of program. If the government has to raise the fees $5 or $10 more a year—they have raised them a few times lately—but if they have to raise it some more, that is fine, fair ball. As long as we know that is where the money is going.

I do not understand why the government would require grain producers to pay more than they are paying now on crop insurance for their grain production. Let me give you an example. Winter wheat, a farmer pays currently $4.50 for basic coverage. His increased coverage will cost him $7.72. We have an extra $2.22. If you had a tripartite arrangement, it would cost the producers an extra six cents, not $2.22. The government is doing it backwards. In its drive to reduce the the national deficit it is attacking the people who are in no position to pay a higher share of those kinds of objectives. If it were attacking banks that pay no income tax or some 90,000 corporations that made a profit in 1988 and did not pay a nickel's worth of income tax in order to reduce the deficit, it would be applauded by people all over Canada of every political stripe.

• (1320)

No, the government is not doing it that way. It is going after the people who are not in a position to pay any more than they are now. It does not matter whether it is a property tax, income tax or sales tax. When you look at the cost of food and housing these days in a province like mine, what logic or civility is there in picking on the very people who are in the worst position to pay more? That is what the government is doing in the case of farmers.

We have lost thousands of family farms. In some cases, the land has been in the family for three or four generations. It is not only an economic tragedy but a human and social tragedy for which we in Parliament, the government and the previous one, have no excuse. There is nothing rational about further devastating our farm and rural economies.

When my riding covered a much larger rural area there were dozens of implement dealers. There were little communities in which two or three generations of people had invested their endeavour in those communities, businesses, community halls, skating rinks, elevator companies and everything else and they just folded up. All the nation could tell them was to get up and walk away.

This type of legislation adds to that. Why in heaven's name would the government want to bring in a measure that increases the already existing problems? It makes no sense. It is unchristian, uncivilized and unjust. I do not know how many "un" words I can think of to label this.

The federal government should continue to pay half the premiums. It should increase the areas of coverage. The provinces should continue to pay the administration costs. If, in certain areas of increased coverage, it is peculiar only to a certain province or region and they want increased coverage because of circumstances peculiar to a province or a region, then fine. Let them have it but they will have to share in the cost of the increased coverage. Otherwise, why load more of this on to the backs of provinces? Surely it is an evasion of national and federal responsibility to get the federal government out of something for which it is responsible. This is what I call a weakening of federalism. One of the main reasons we are here is to keep this confederation in which people in every walk of life in every region, province and territory of Canada are treated with a reasonable degree of equity and fairness.

No wonder we have the anger and frustration that we have in different parts of the country. I say to the government: "You brought it on yourself".

An hon. member: They are waiting for this legislation.

Mr. Benjamin: This kind of legislation will increase the anger and frustration.

An hon. member: It sure will.

Mr. Benjamin: I haven't any farmers in my riding who have told me they are waiting for this. I have not had a single one and I have been out to see them.

Why did the government mess around with it in the first place?

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Mr. Maurice Foster (Algoma): Mr. Speaker, the hon. member for Regina has put forward a very convincing argument at third reading. We are on the amendment to the six month hoist so there could be a number of other speakers.

I would like to ask the hon. member what he thought of the arrangement last July when the federal and provincial ministers got together and carved up the pie in Prince Albert with no farmers being there.

The Minister of Agriculture likes to say: "Oh, there was great agreement on all this. We all agreed to it." When you check it out, P.E.I. did not like it. New Brunswick did not like it. British Columbia did not like it and Ontario did not like it. The formula left in Bill C-48 is the formula that Quebec and Newfoundland have used for years. Quebec has a special way of adjusting it so it becomes a three-way split anyway.

I am wondering if the hon. member really believes that the farmers had any input into this. Was it just a case of the federal government using its muscle power and twisting some arms to get some support from the three prairie provinces because they are waiting on their drought assistance with the farmers not being there?

What you have is a deal of two partners carving up the pie on the basis of a drought assistance payment with the feds saving themselves 25 per cent or 50 per cent of their previous costs and the farmers being left to hang out to dry and faced with 50 per cent of the costs and the federal-provincial government reducing their costs. I wonder what the hon. member thinks of that kind of a deal with the partner who will pay the biggest chunk of the premium in the future not being at the table?

Mr. Benjamin: Mr. Speaker, I thank my hon. friend for his question. His point about carving up the pie in Prince Albert is just another classic example of the wheeling and dealing going on among some premiers and the federal government.

In some cases the premiers have been nothing more than suckers. They allowed themselves to be suckered in on this one in the hope that they could get another drought payment and they would not have to lose any more federal programs or have them reduced. They thought they were being statesman-like and diplomatic by agreeing to pay higher costs on this program in order to get some money for something else. It is the only thing to which I can attribute it, either that or outstanding stupidity on the part of certain provinces.

The bill before the House right now is similar. I do not understand why the provinces of Nova Scotia, New Brunswick and P.E.I. are not raising hell about losing the at and east rates which means $40 million so that they can mill flour and have grain terminals in Halifax and Saint John. That legislation will doom all three of those operations. It will finish them. We heard not a word from the premiers of those three provinces. Similarly, the premiers in the three prairie provinces blocked this nonsense.

An hon. member: It is not the Ontario farmers.

Mr. Benjamin: I do not know of any farm organizations and I just checked with our critic on agriculture.

An hon. member: I will send you a list.

Mr. Benjamin: Send me a list and I will predict who they are. It is not the co-operative organizations. It is not the National Farmers Union but I can predict who it is, all the ones that do not farm; All the ones that do not farm such as the chemical producers. They think it is a good idea.

• (1330)

They are destroying the intent of the legislation, the practice of crop insurance premiums which farmers could pay. If this legislation had provisions in it when prices went up farmers paid more and the government a little less.

The Acting Speaker (Mr. Paproski): It being 1.31 p.m., I do now leave the chair until two o'clock this day.

At 1.31 p.m., the House took recess.

STATEMENTS PURSUANT TO S. O. 31

• (1400)

[*English*]

MULTICULTURALISM

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, between 1885 and 1923 Canada collected a head tax of as much as $500 per person from Chinese immigrants either for the reason that they came from

China or because they were racially Chinese—we're not exactly sure which.

However, we are sure that our predecessors in this House of Commons were morally wrong in imposing such a tax.

For Canadians, part of the legacy of this discriminatory legislation, which carried on until 1947, is an obligation to admit the moral wrong and learn from our history, and to provide redress to those materially harmed.

This legacy also includes a diminishing number of lonely old men who paid the tax but could not bring their families, leaving them alone in their new homeland. To these men, this House owes an acknowledgement, an apology and repayment of the tax, however token or symbolic that may be. To all Canadian society, including those of Chinese origin, we owe a mechanism for redress to manifest our collective awareness and our national coming of age in a multiracial world.

* * *

SPRING

Mr. Benno Friesen (Surrey—White Rock): Mr. Speaker, I am here to emphasize to our colleagues in the House and to the country at large that British Columbia is a haven for many people who move there from the rest of Canada; thousands of people are migrating to British Columbia, and for very good reason.

Today we are announcing that spring has already arrived in British Columbia. While on the one hand people go to British Columbia, to places like Whistler to enjoy skiing, just a few minutes away, a few miles down the road, we are already enjoying the balmy spring weather.

So since spring has arrived, we want the rest of the country to know that spring in Canada always begins in British Columbia. It is the first place to which it comes. British Columbia is a great place to visit and even greater place to live. The flowers that have been distributed to all members in the House today are a symbol of spring having arrived in British Columbia.

S. O. 31

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, a few months ago the immigration commission and minister planned to deport two refugee claimants, Simon Mwindi and Abdilahi Hantoosh, back to Kenya. Outbreaks of government violence in Kenya rightly prompted the minister to stay the deportations. Again she recently ordered them deported as of today, but after phone calls, telegrams and a demonstration in front of her constituency office, she again stayed these deportations. Yet she seems unwilling to consider Kenya a repressive, refugee producing country.

However, the truth is that demonstrators in Kenya have been killed, wounded or arrested by the military of President Arap Moi. On March 1, Moi banned all demonstrations, announcing: "From now on, the government will not allow demonstrations of any kind in the country".

I urge the minister to place a moratorium on all deportations to Kenya and consider landing these refugee claimants on humanitarian grounds. After all, even the Canadian government that has banned free speech within 50 metres of Parliament ought not to send Kenyans to likely prison or death.

* * *

[*Translation*]

CATHOLIC CLERGY

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, last Friday, the head of the Catholic Church, Pope John Paul II, announced the appointment of Monsignor Maurice Couture as Archbishop of Quebec City. The new primate of the Church in Canada is a man of great dedication who has always been very much aware of the needs of the least advantaged in our society. A communicator and a man of commitment, this member of the Order of Saint Vincent de Paul has always been very involved in working with young people, both in the "patros" and in education, the latter as director and founder of the Saint-Augustin Seminary near Quebec City.

Mr. Speaker, I welcome the appointment of this man of action as head of the oldest diocese in North America,

and I wish Monsignor Couture every success in serving over one million Catholics in the 273 parishes of his diocese.

My best wishes also go to newly appointed archbishops Monsignor Jean-Claude Turcotte of Montreal, Monsignor Aloysius Ambrozic of Toronto and to Monsignor Pierre Morrissette, the new bishop of Baie Comeau.

I wish Cardinals Louis-Albert Vachon, Paul Grégoire and Emmett Carter a happy and peaceful retirement.

* * *

[*English*]

NATIONAL FILM BOARD

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, this morning the Standing Committee on Communications and Culture gave unanimous approval to a motion I presented concerning the National Film Board.

The motion briefly states that "in view of the significant contribution of the NFB to the artistic and cultural life of this country, and as a tribute to its international acclaim during the past 50 years—the chairman be instructed to write to Canada's national air carriers, Air Canada and Canadian Airlines, to screen National Film Board productions."

I find it incredible that NFB productions can win nine Oscars and be heralded for its excellence around the world, and yet Canadians do not seem to have maximum access to this quality here at home.

Look at it this way, Mr. Speaker. If you were on the same plane that was transporting the Grey Cup or the Stanley Cup, would you not want to get a look at these national treasures that we are so proud of?

In my view, the NFB along with other Canadian film producers, turn out quality treasures which can and should be seen on Canada's airlines, not only within our boundaries, but everywhere we fly around the world.

* * *

[*Translation*]

FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I want to congratulate Henri Eugène Duguay and Mrs. Albertine Léger who organized a public meeting in Shediac, attended by several hundred fishermen and individuals involved in the fisheries industry. These people from southeast New Brunswick came to meet government authorities and talk about their concerns about the industry.

I listened carefully, together with New Brunswick Minister of Fisheries Denis Lozier, who had come especially to listen to these people. It is too bad, Mr. Speaker, that the federal Minister of Fisheries and Oceans, who was absent, was unable to see for himself the willingness of all these people to find a solution to the present crisis before it becomes an unmitigated disaster.

[*English*]

Representatives from different communities voiced their concerns about the uncertain situation of the lobster and herring industries. Fishermen have offered very positive elements for solutions, but it was stated very clearly that action must be taken in the very near future. The province of New Brunswick has taken some action, but the federal government is dragging its feet.

[*Translation*]

Very shortly, I intend to table in the House a petition with 2,800 signatures which I was given during this meeting.

* * *

1990 TITLE OF EXCELLENCE

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, the *Association des femmes de carrière du Québec métropolitain* annually sponsors the Title of Excellence Award, and 1990 is the seventh consecutive year. The main purpose of the award is to acknowledge the impact and professional standards of women on the labour market in the greater Quebec City area.

As chairman of the jury, I would like to congratulate all finalists. In the executive category: Joceline Gros-Louis, director of the Loretteville native friendship centre; Gabrielle Lapointe, director of administrative services of the Nouvelle-Beauce school board in Sainte-Marie de Beauce; and the winner in this category, Jacinthe Blackburn, Mayor of Baie Saint-Paul.

In the business category, the winner is Michèle Beaulieu, owner of *Alimentation des Quatre-cantons* in Lac Beauport, and the other finalists were Ghislaine Lambert, president of *Voyages Lambert* and Reine St-Onge, president and director general of the Optometrists Clinic *Reine St-Onge* in Lévis.

Award winners and finalists reflect the energy, courage and determination typical of all women in the Quebec City area, in Quebec and across Canada, to whom I wish to pay tribute today.

What has been achieved in the last 20 or 30 years on the labour market and in our communities proves that women are increasingly taking advantage of the choices and opportunities they are offered, and in Quebec, 1990 is a particularly important year because it marks the 50th anniversary of women's suffrage. I say, three cheers for all Canadian women!

* * *

[*English*]

SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, this government has no commitment to supporting social programs. During elections or when in opposition, the Tories pretend to care about the sick, the poor, the aged and the young. But as soon as they get their hands on the levers of power, the disadvantaged are immediately sacrificed to the interests of the rich and powerful.

• (1410)

When in opposition in 1982, in this House the Minister of Finance reproached then Minister of Finance Allan MacEachen for his attack on health and education spending. The Minister of Finance wept crocodile tears over the "risk of major cutbacks in medical care and post-secondary education"—to use his words, as a result of Mr. MacEachen's savage cuts to the provinces.

Now the Minister of Finance is making the biggest cut to social programs in the history of Canada. The effect of his cuts to health and post-secondary education in 1986 and 1989 will be to cut $24 billion by 1994-95. The effect of the latest vicious cuts announced in the infamous budget of 1990 will cut an additional $7.3 billion by 1995-96. The total of the cuts is the equivalent of all the federal money spent on health and education for two years running.

The Minister of Finance is the Pontius Pilate of medicare. By washing his hands of responsibility he is signalling to right wing governments across the country that they can slash medicare, hospital insurance and privatize universities with no threat of reprisals from the federal government.

The Minister of Finance has signalled his intention to pull the teeth from the Canada Health Act and refuse to enforce its provisions setting out minimal standards and hospital insurance. This government must be thrown out of office before they destroy—

* * *

[*Translation*]

MEECH LAKE ACCORD

Mr. Gilles Bernier (Beauce): Mr. Speaker, upon taking power, the Prime Minister went to work on the constitutional problem which threatened to worsen the isolation of Quebec brought about by the Trudeau-Chrétien-Lalonde gang in 1981.

With the premiers of all the provinces and the support of Robert Bourassa, in the spring of 1987 the Prime Minister achieved a real reconciliation, but the opponents of Meech, by spreading disinformation, have managed to stir up anti-Meech feeling among the people.

The accord in its present form fully respects anglophones' rights, meets Quebec's minimal demands and ensures constitutional peace.

Mr. Speaker, I urge Canadians to adopt a better attitude. Let the debate on this be calm, tolerant and moderate. I rely on reason.

What Trudeau and Chrétien are now saying is an insult to the intelligence of Quebecers and Canadians. They are bringing about a growing intolerance in English Canada.

As a Quebecer from the Beauce, I am humiliated. Will Quebecers forever deserve the contempt of Pierre Elliott Trudeau and his followers?

* * *

[*English*]

THE LATE DALTON MCGUINTY

Mr. John Manley (Ottawa South): Mr. Speaker, I rise today to express my sorrow and that of the community of

Ottawa South at the death of our member of the provincial Parliament, Dalton McGuinty Sr.

Dalton's service to the community is well documented: trustee and vice chair of the Ottawa Board of Education, executive administrator of the Terry Fox Humanitarian Award and MPP. Indeed, he did Ottawa proud.

A man of strong convictions, Dalton's success was in part due to his ability to look at the world and himself with a sense of humour. He enjoyed life and made life enjoyable for those who knew him.

Dalton set out his approach to politics in an essay he sent to me not long ago: "The politician as a Reflector or Beacon". He said: "The reflector view maintains that the politician merely reflects the consensus view of those around, regardless of his or her personal views. The politician as beacon considers the views of others, and looks to his or her own understanding and the dictates of conscience within. With a clear conscience, the only just reward. Let the votes fall where they may".

Dalton described himself as the beacon, and it is clear that people respected him for it.

To Dalton's wife Elizabeth, their 10 children, and the McGuinty family, our deepest sympathy.

* * *

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the Liberal party continues to stand with the overwhelming number of Canadians who oppose this government's goods and service tax.

Yesterday, members of the House saw a feeble attempt by the Minister of Finance to undermine the unprecedented success of last week's anti-GST hotline organized by the Liberal party which received calls from more than 70,000 Canadian households calling in their opposition to the goods and service tax.

In response to a planted question—and a poor one at that—from the member for Halton—Peel, the Minister of Finance gushed as he told the House that since last August his toll free GST line had received about 100,000 calls from Canadians questioning the tax. After spending tonnes and tonnes and tonnes of taxpayers' money in promoting his hotline, the Minister of Finance has only received an average of about 400 calls a day. He cannot even tell us if one of those callers supported this unfair tax.

On the other hand, the Liberal hotline which people had to pay to use because we have not abused taxpayers' money on this side, got over 10,000 per day with every caller opposed to the goods and service tax.

Today, I issue a challenge to the Minister of Finance: be brave, be responsible, be fair. Set up a 1-800 service that will give all Canadians a chance to vote either for or against the GST. The Minister of Finance may then finally see the error of his ways, do the right thing, and axe this tax.

* * *

STANDING COMMITTEE ON FINANCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, last night I did something I thought I would never do. I slept with a Tory.

Some hon. members: Oh, oh!

Mr. Rodriguez: In fact, I spent the night with a whole committee of them.

I can tell you, Mr. Speaker, it was not a pretty sight. Between winkin', blinkin', and Blenkie and snoring Dorin, I can only conclude that there is no happy ending to a bedtime Tory.

My Liberal colleagues, young as they are, did no better. They woke up to find themselves in the compromising position of having no position at all.

But, Mr. Speaker, what I really want to put on record is, though I slept with these Tories, it was the taxpayers who learned that love certainly means never having to say you're Tory. All in all, it was a very taxing experience.

ORAL QUESTION PERIOD

[*English*]

PARLIAMENT HILL

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. I want to ask him about the unacceptable regulations the government proclaimed in force on March 14 dealing with demonstrators within 50 metres of the Parliament Buildings.

Why did the government not follow its own regulatory policy and allow 60 days for public comment before bringing these regulations into effect? Why did the government fail to follow its own policy before it proclaimed these regulations to be in force?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the hon. member knows, these regulations came as a result of a request from an all—party committee, of which he was a member, asking the Department of Public Works to bring in regulations under the Public Works Nuisance Regulations.

In fact, that was done. It was no secret. For two weeks, these regulations were promulgated. They had been reported in the media. The hon. member, or any other member of this House, had an opportunity to object to them.

The only thing that was done by the government was to respond positively to a unanimous request from the hon. member and the member for Kamloops—Shuswap to introduce such regulations. I find it rather surprising that the hon. Leader of the Opposition should now say that those regulations which he asked for are somehow improper.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the record the House Leader placed in *Hansard* yesterday shows that the members of the Board of Commissioners of Internal Economy did not agree to the specific regulations. They were never shown the regulations before they came into effect.

This is demonstrated by the letter from the Speaker which states in part:

> The Board discussed the possibility of designating specific areas on Parliament Hill where demonstrations could take place.

The Speaker's letter went on to say:

> It is not the intention of the Board to limit access to Parliament Hill by the public—

I want to specifically ask the government House Leader why, before proclaiming these regulations in effect, not only did the government not follow its own regulatory policy of allowing 60 days for public comment, but instead consulted with the Secretary of State state ceremonial, the Royal Canadian Mounted Police, the Department of Justice and Public Works Canada, but not the House of Commons and the Senate.

Why, at least, did the government not consult through the usual and accepted channels with the House of Commons and the Senate before proclaiming these specific regulations in force? Why can he not give us a straight answer to these questions?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, all this preceded my membership on the Board of Internal Economy, but I am told by my colleague who is a member now and who was a member then that all of this was done through the Board of Internal Economy.

The regulations in question do not restrict anybody's access to Parliament Hill. If the hon. member reads the regulations and what was requested, namely, that "No person shall participate in a demonstration, march or other public gathering upon any public work, except in areas specifically designated for such purposes", he will know that what was in fact requested was much more restrictive than the ultimate regulations which state that you can demonstrate anywhere on Parliament Hill, except there must be a clear area of 50 metres at entrances so that people are free of being pestered and allowed to enter.

• (1420)

My colleague, the minister responsible for regulations, says he had no indication of concern from any member of this House. Even though they have known about these regulations, they chose not to comment on them. I wonder why now.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I do not know how the minister in charge of regulatory reform could expect to get comments from anybody if the government did not first publish the draft regulations in the *Canada Gazette* and give people a chance to comment.

[*Translation*]

It is clear, Mr. Speaker, that the government did not follow its own policy calling for prior notice to enable the public to comment on such regulations. Also the government consulted several government departments but not the House of Commons and Senate before putting those regulations into effect.

[*English*]

For that reason, and because of the concern in the House of Commons and across the country about the possible impact on the rights of members and of the public of these regulations, I ask the minister if today the government will withdraw these regulations and enter

into consultation with the House of Commons and Senate, through the usual and accepted channels, as a way to deal with this matter which is consistent with the rights and privileges of members and of Canadians generally?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the government has done nothing but respond to a unanimous request from an all—party committee, of which the hon. member was a member, and he is asking now whether in fact the government will unilaterally amend these regulations for which he asked.

I would remind the hon. Leader of the Opposition that, in fact, it was his point of privilege in which he stated that he was not able to access the House of Commons because of demonstrators at the front of the Parliament Buildings that led the Board of Internal Economy to reach this unanimous conclusion.

I find it surprising that he should now resort to what he thinks is a politically opportune time to score political tricks.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister forgets that my question of privilege was about how I was limited in access to the Parliament Buildings in my work as a member of Parliament.

I want to ask the minister, by what type of strange Tory double–think and double–talk could he say that a regulation making it possibly illegal for members of Parliament to have access to the grounds of the Parliament Buildings could be a response to my concern about broader rights for members of Parliament?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. Leader of the Opposition did not have time to write out his question so I will forgive his misspeaking it.

To suggest that somehow these regulations prevent a member of Parliament from accessing Parliament Hill is absurd. The hon. Leader of the Opposition raised a point of privilege saying that demonstrators prevented him from accessing the House of Commons. That matter was referred to a committee of this House. It was in part because of that concern that the Board of Internal Economy, of which the hon. member is a member, unanimously asked for these regulations. The Board of Internal Economy can ask for amendments but that is where this should happen. The hon. Leader of the Opposition should not go back on his word this way.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I certainly stand by the decision taken by the board, which was not a decision for these specific regulations and we were never shown the regulations.

I specifically want to ask the government House Leader, when the regulations state that "no person shall engage in any of the following activities", how can he say that these regulations do not apply to members of Parliament? They apply to members of Parliament surely from the wording itself.

Therefore, I ask the minister again, will he withdraw the regulations until this matter can be gone into further through the accepted channels in the House or the Senate? If he is concerned about the freedoms of members and the public, then why will he not do this? Certainly, it is a perfectly clear, logical and simple request.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, of course the regulations apply to every citizen. Not even members of Parliament are above the law. But the Leader of the Opposition should examine the "blues". What he said earlier is that the regulations prevent members of Parliament from accessing the House of Commons and that is simply not true. They do no such thing.

As to the question of whether in fact the government would respond favourably to another decision from the Board of Internal Economy, they generally do, and of course they will. The decision that is now in place was a result of a unanimous request from the Board of Internal Economy.

If the hon. member, for political opportunistic reasons, now wants to reconsider his decision of last November 22, well so be it. Let us do it through the proper channels.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, let us make it perfectly clear that the Board of Internal

Economy has never, ever seen the regulations that were introduced by Order in Council by this government—

Some hon. members: Oh, oh!

Mr. Speaker: The hon. member for Kamloops will put his question.

Mr. Riis: Mr. Speaker, we have heard a lot of fine words in the last little while from this government about how wonderful it is that the people of eastern Europe have thrown off the chains of oppression. Yet yesterday in front of the Parliament of Canada, that belongs to the people of Canada not the Tory government, we saw a priest, who was standing in a silent vigil, dragged away by police.

Since these people are simply exercising their constitutionally guaranteed right to freedom of assembly and freedom of speech, I am asking the government House Leader if he would now do the honourable thing, since he did it in secret, he did it behind closed doors, he did not alert his own caucus, and admit that this is a government initiative and withdraw this initiative.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, yesterday I read into the record, as reported at page 9468 of *Hansard*, that the regulations in place were as a result of a letter from yourself, Mr. Speaker, on behalf of the Board of Internal Economy which, on November 22 by way of minutes, which I also read into the record, and the House Leader of the New Democratic Party was there, unanimously asked that Mr. Speaker write a letter asking for regulations under the Public Works Nuisance Regulations that would in fact provide freedom from harassment and freedom from obstruction for all persons accessing the House of Commons.

The House Leader of the New Democratic Party comes back from two weeks in England and declares himself surprised that what he asked for has been implemented.

• (1430)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, as the government Whip clearly indicated in this House yesterday, the purpose of the legislation was to allow emergency vehicles access. That was the Board of Internal Economy's concern, that emergency vehicles did not have access.

Was the priest who was arrested by the police yesterday, jailed overnight and in court this morning, obstructing emergency vehicles from accessing the House of Commons?

Mr. Nystrom: Arresting a priest, come on!

An hon. member: Answer that.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as I read Beauchesne's, the hon. member just asked me for a legal opinion. All I can say, Mr. Speaker—

Some hon. members: Oh, oh!

Mr. Andre: All I can say is to repeat—

Mr. Riis: What a phoney.

Mr. Andre: Mr. Speaker, all I can—

An hon. member: Where is Doug Lewis when you need him?

Mr. Andre: Mr. Speaker, I had indicated yesterday, in response to the House Leader of the Liberal Party, the member for Ottawa—Vanier, that I would certainly think it would be appropriate for this matter to be brought back to the Board of Internal Economy for reconsideration. I will repeat that today to the hon. member. I would make one request and that is that this time if the hon. House Leader of the New Democratic Party agrees to something he keeps his word.

Some hon. members: Hear, hear!

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, needless to say I will be rising on a question of privilege at the end of Question Period.

I want to refer to the regulations which read that a peace officer or the minister can now walk out in front of Parliament and within a 50-metre radius decide which protester, which member of Parliament handing out literature, which child making loud disruptive noises, perhaps crying, or what person demonstrating with a sign can be requested to leave and, if he or she does not leave, he or she will be arrested.

Yesterday the police or the minister requested that two protesters outside be arrested and jailed. After Question Period, when some of us as members of Parliament will be standing out in that same 50-metre radius and handing out literature in contravention of this

regulation, will the minister be out there asking for our arrest and for our jailing?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, not this minister, not any minister of this government, asked for anybody to be arrested and jailed. Regulations were promulgated in keeping with a request from an all-party committee of this House, including the hon. member.

Mr. Riis: You are all lying again.

Mr. Andre: Those regulations, according to law, are to be enforced by the RCMP. The RCMP enforced those regulations, as I understand it. If the hon. member does not like the regulations or does not like the RCMP being on Parliament Hill—

Mr. Barrett: You're liars.

Mr. Speaker: The hon. member for Sudbury.

* * *

GOODS AND SERVICES TAX

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance for a little change of pace.

Canadian consumers will be hard hit by this government's proposal to tax with the GST such essential commodities as hydro and home heating fuels.

Yesterday Ontario Hydro announced that its rates will rise by well over 12 per cent next year, in large part as a result of the proposed GST.

Some hon. members: Oh, oh!

Mr. Duhamel: It is really funny, a 12 per cent increase!

Mrs. Marleau: Whether you think it is funny or not, this is the equivalent of an extra month's payment. Instead of 12 payments a year, it is like having 13 payments on the electrical bill for every household in Canada.

How can the minister justify asking Canadians to pay so much more on such basic human necessities as heat and light?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to advise the hon. member that there is tax now in her hydro bill. There is federal sales tax today in the hydro bill as a result of the fact that there are elements Ontario Hydro used which are subject to federal sales tax.

The hon. member is saying not to tax electricity. The impact of that is that those people in this country who have a large house heated by electricity will get the biggest tax benefit compared to someone who has a small house that is also heated by electricity. She is telling us to give a tax benefit to those people who live in the largest houses because they are the larger users of electricity.

What we have suggested is to tax the product and then give the low income earners the benefit of the GST credit, which is a cheque paid four times a year that will offset the impact of the GST. In fact families earning less than $30,000 will be in a better position than they are today. We believe that is a much fairer way of treating the question.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, this is a shocking answer. We do not want the tax at all.

Some hon. members: Hear, hear!

Mrs. Marleau: What this latest 12 per cent Ontario Hydro revelation leads us to believe is that Canadians will be far worse off with GST, especially those of more moderate means.

Does the minister not consider heat and light just as essential as food, and is not this just another reason to scrap this tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are going to scrap a tax. It is called the existing federal sales tax which is a tax that is hurting low income people, particularly in relation and in comparison to the proposed goods and services tax.

If my hon. friend is saying we should exempt electricity or exempt heating fuel and give the biggest benefit to those people who live in the biggest houses, which are the biggest users of heating oil and electricity, and not provide the low income people with a GST credit, I do not know where her measure of fairness is. Why does she want to give the biggest tax break to the people who own the biggest houses and take away the GST credit, that cheque that goes to low income people which make the GST a fair sales tax? Where is her sense of fairness?

PUBLIC WORKS

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is for the Minister of Public Works.

Yesterday the Federal Court ruled that the government acted unfairly when it recommended choosing the second highest bid to accommodate the data centre for the goods and services tax.

Will the minister explain to the House today why the government chose to award the contract to the second highest rather than to the lowest qualified bidder?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am sorry I was not here yesterday for my colleague's question. I can simply point out to him that I have not had a chance as yet to read Mr. Justice Strayer's decision, but as far as the criteria are concerned I understand from my officials that there were factors taken into account such as security, working conditions, and quantifying the value of the premises. This process, as my colleague who is the official critic knows, is completely transparent. Any of the bidders who are curious can find out all the criteria by simply consulting with the department.

• (1440)

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, will the minister tell this House whether or not negotiations have taken place with any of the four bidders prior to putting out the formal tender call?

Hon. Elmer M. MacKay (Minister of Public Works): Not to my knowledge, Mr. Speaker. There may well have been.

I can assure my colleague that I noted with interest his suggestion that the government take a look at economizing and using existing premises. I will inquire as to the answer he wishes. I have no knowledge of what negotiations went on, if any.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday, the Chairman of the Finance Committee presented a motion to end the discussion on the GST.

Mr. Speaker, many people would like to give their opinion on this tax. Closing off the discussion is unacceptable. How will the Deputy Prime Minister ensure that these people can continue to discuss this crucial matter?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the unfortunate thing about last night is that there were witnesses waiting to be heard, anxious to be heard and could not be heard because of the obstructionist tactics of the New Democratic Party.

Some hon. members: Hear, hear!

Mr. Rodriguez: You denied them the opportunity. You didn't want them there.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, this is not new. This has happened before. What these tactics fail to take into account is the fact that we have had a debate on the goods and services tax which started with the release of the White Paper on tax reform in June 1987.

We had consultations and discussions with people in the private sector, with provinces, with various groups interested in this issue. It was discussed many times during the election campaign. It was the subject of extensive hearings in the fall by the finance committee.

We believe that the time has come when actions and decisions should be taken. We have had nearly three years of discussion on the goods and services tax and the whole proposal for sales tax reform.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question.

Canadians do not want this tax. Canadians want to be heard about this tax. The government continues to refuse to listen to Canadians. The committee did not travel to all provinces. The New Democratic Party is simply saying: listen to Canadians.

I ask the Deputy Prime Minister again: Will he show that this government is prepared to listen to Canadians and ensure Canadians that he will not invoke closure either in the committee or in this House so that Canadians can have full discussion of the goods and services tax and present their alternatives as we have done as a party?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the fact that Canadians want to be heard. They have been heard. We have listened very carefully to what Canadians have said about sales tax reform. We have made a number of changes to the sales

tax proposal which specifically take into account recommendations that Canadians have made directly to us as a government and through the finance committee. Again we have made adjustments to the sales tax proposal that take into account what Canadians have said.

After nearly three years of discussing this issue I believe that Canadians are owed a decision on this matter. We believe that it is important to get on with the business of government. What the finance committee chairman was doing last night was trying to get some agreement from the finance committee whereby we could have an understanding of how effectively we could get this legislation back to Parliament. Unfortunately, those discussions were not allowed to continue because of the obstructionist tactics of the New Democratic Party.

* * *

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, in view of the numerous requests by various producer groups including the Ontario Corn Producers' Association, the wheat producers, the prairie pools and the Premier of Saskatchewan, for financial aid to assist the farmers to plant their crops this year, will the Minister of Agriculture tell us today what help will be forthcoming from the government for this purpose?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, one of the things that would help enormously is if the hon. member would appeal to his colleagues and to his NDP friends to get the crop insurance bill through. It would certainly help very much.

As I indicated to the House yesterday, we have the report of the monitoring review committee that was set up in December. We are looking at it. As we meet in the House of Commons right now the federal deputy minister is meeting with his provincial counterparts and discussing this very important issue.

I can assure the hon. member that we are working on it. It will be a joint federal response with the provinces being involved in the design. Hopefully it will be targeted. It will be flexible and because it is a multi-faceted problem we hope that it can be designed in such a way as to address the multi-faceted situation. Of course the program will be comprehensive and flexible.

I want to assure the hon. member that this is an issue that is going to require shared responsibility and we are working at it on that basis.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, yesterday the Prime Minister forgave a $182 million debt for the Commonwealth Caribbean countries. Will the Minister of Agriculture commit his government now to a similar forgiveness of debt and an immediate moratorium of debt repayment and interest for our Canadian farmers as provided for in section 11(1)(e) of the Farm Credit Corporation Act.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, the farm debt review board process has been very effective in dealing with this important issue. I think it is also important to note that hon. members make representations about the level of farm bankruptcies. I point out to the House that we reached a high in farm bankruptcies in 1983-84.

Under the Liberal regime farm bankruptcies across Canada approached about 550 on an annual basis. We have progressively brought it down to about 300, which is still too high but certainly demonstrates very clearly that it is the policies of this government that have worked and are removing some of the very difficult problems inflicted by the government of which he was a member.

* * *

IMMIGRATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration and it concerns the amendments she proposed to the refugee backlog system.

According to the changes announced today, refugee claimants may now be considered according to such factors as separation of family members, employment, long-term residency, social integration, or whether they have had children raised or born in this country.

Why did it take her government a year and a half to implement the very requests that were made by virtually everyone some 15 months ago? How long will it now take to clear the backlog under the new criteria?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the backlog will be cleared within the time frame that we originally established for it, and I have explained this to the hon. member on any number of occasions. It will be done within the budget that was originally allotted for it.

The guidelines were altered to meet the requests of Mr. Justice Jerome because it did not alter the principle that we had established of humanitarian and compassionate considerations and a credible basis review to determine refugee status as opposed to immigration status.

Mr. Sergio Marchi (York West): Mr. Speaker, as we speak today, the minister knows full well that the government is $100 million over budget and nine months behind her proposal. I think Canadians were interested in knowing the threshold from here on.

I should like to direct my supplementary to the same minister. Given the fact that many claimants have either been denied or deported under the old criteria, will the minister guarantee that those who have been denied or deported will receive a second full hearing in Canada under the new criteria?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I outlined this morning, those who have already left Canada, who have voluntarily departed or have been deported, will get the benefit of a full humanitarian and compassionate review in our overseas posts, which is perfectly appropriate since we have people there who are perfectly qualified to give them under the same guidelines.

* * *

• (1450)

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is directed to the Deputy Prime Minister.

Yesterday's Speech from the Throne in Saskatchewan reads in part:

> My government has received a commitment from the Government of Canada that financial assistance will be provided to farmers for spring seeding.

Will there be a direct cash payment of at least $500 million in the hands of farmers by mid-April?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated to the House earlier, at this very moment the deputy ministers are meeting, addressing this situation, and reviewing the report of the crop review monitoring committee.

As I have indicated to the House on previous occasions, we would be trying to work out a joint federal-provincial program with the provinces involved in the design to meet the difficulties experienced in western Canada and indeed in other parts of the country.

The hon. member will just have to wait and be a little patient. I think he should take a lot of comfort in the fact that work is going on and progress is being made.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the same Speech from the Throne also indicated:

> Ottawa has also agreed to establish a mechanism to help counteract the international grain subsidy wars.

Does the minister now have a cabinet commitment of at least $1 billion to counteract the price effect of the grain subsidy wars on Canadian farmers?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, perhaps I might ask the hon. member how he came up with the calculation of a $1 billion loss as a result of the grain war. If he could give me those figures, perhaps I would take them into consideration.

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SPACE PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is directed to the Minister for Science.

The regional plan for the space agency included a regional distribution objective for spending with approximately 10 per cent identified for Atlantic Canada. To date, only a small portion of that has gone to Atlantic Canada.

Is the objective still 10 per cent for Atlantic Canada, and will the agency work with the aerospace industry in Atlantic Canada to ensure that the maximum benefit is achieved?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I would like to assure my colleague that the regional distribution of space agency contracts is very much a part of this government's policy. We have to realize that historically the space industry in Canada, in essence, developed somewhat unevenly across the country.

There may be a lag in terms of when we reach those distributions, but I can assure the hon. member that it is and will remain this government's policy that we work with the space industry itself to ensure that all regions of the country receive a benefit and the real benefit from the whole space program.

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[*Translation*]

AGRICULTURE

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have a question for the Minister of Agriculture. On February 15, Canadian producers were to get a higher price for industrial milk. It seems the government changed the formula used previously to establish the value of inherited farms in Quebec, so that the increase was cancelled, despite a substantial increase in operating costs over the past year. Why did the government change the way it calculates costs for producers and why this discrimination against industrial milk producers in Canada and more specifically in Québec?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I will have to correct some of the figures quoted by the hon. member for Papineau—Saint-Michel. If this year we had followed the usual procedure for setting the price of industrial milk, it would have meant a reduction of about $1.34, and after lengthy discussions, the Minister of Agriculture, the other interested parties and myself reached the conclusion that since we have a task force representing all interested parties, something unheard of under the Liberals, it was preferable to consult those concerned. Thus, we have a task force in which industry, producers, and all people involved in the dairy sector are represented and which is now working on a report within the next few months that will help us decide on a formula that is agreeable to all parties. We have decided to maintain the price at its present level instead of letting it go down, which was very good news for Canadian milk producers.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, the minister's answer was long and belaboured, while the situation is actually quite simple.

Industrial milk producers have clearly established that their costs have gone up by 2.8 per cent, and that as a result, prices should go up accordingly.

If the minister needs outside experts to justify his poor decision-making and his government's bad policies, I would simply ask him to review this decision which, I think, was probably not made in Ottawa, but perhaps in Geneva or Washington, and give industrial milk producers what they deserve.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, this government doesn't need any long and belaboured advice from the opposition, which left the industrial milk question on the back burner for more than five years. Five years before we came to power, Canadian milk producers didn't know the meaning of a long-term dairy policy, Mr. Speaker. This government introduced a long-term dairy policy, which we have promised to extend, but we will do that in consultation with farm producers and all the people in the industry, Mr. Speaker.

We don't need the advice of the previous Liberal government which had simply encouraged farmers to object. What we are now seeing, as the hon. member ought to know, is that farm producers—

* * *

[*English*]

NATIVE PROGRAMS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the President of the Treasury Board.

The minister is responsible for developing procedures to implement the new business policy announced in the budget which will, with some limited exceptions, eliminate grants to business and make more financial contributions repayable.

Applying this policy to aboriginal business would seriously set back aboriginal economic development. Will the government assure aboriginal people and communities today that the government remains committed to increasing aboriginal participation in the national economy and will not subject aboriginal businesses to a greater financial burden?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to tell the hon. colleague that the police designed to ensure that the business community repays contributions and grants paid to it by the government is a policy that is flexible and one that will certainly take into account the needs of aboriginal people, the needs of poorer regions of the country, and the needs of regions that are far north or particularly in difficulty.

The terms and conditions of the policy which will be approved by Treasury Board in the coming weeks will certainly reflect that intention.

Mr. Jack Iyerak Anawak (Nunatsiaq): That was nice to hear, Mr. Speaker. My supplementary question is for the same minister.

The government's own aboriginal economic development strategy recognizes that aboriginal people continue to be the most disadvantaged group within Canadian society and that most aboriginal communities and individuals lack the financial resources to start up even the smallest enterprises.

Given the continuing socio–economic disparities faced by aboriginal people, will the minister agree to exempt all aboriginal economic development programs in all departments from the application of this policy? Will he make these exemptions?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will deal with some of the issues my colleague just raised.

The policy clearly exempts all grants and contributions of less than $100,000. There is another feature in the policy that the minister responsible for a program, be it in one department or another, can make an exception to the other rules.

From the point of view of flexibility, all the flexibility is built into the regulations, and I am sure we are going to be able to meet his concerns.

Mr. Speaker: A single question, the hon. member for North Island—Powell River.

• (1500)

EXILED INUIT

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, my question is for the Deputy Prime Minister and it involves the high Arctic exiled Inuit who were forcibly removed from northern Quebec to Resolute Bay and Grise Fiord. The Inuit make claims of wrong–doing, forcible confinement, slave labour, rape, and theft.

Will the government formally apologize to these high Arctic exiled Inuit? Will the government acknowledge their role in the protection of Canadian sovereignty in the north? Will the government compensate these Canadians for the abuse and wrong–doing inflicted upon them by the RCMP and the government of Canada?

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the government is very sensitive to the concerns of the people from Inukjuak. In the 1980s, for example, when they mentioned that they would like to go back to their homeland, the government made $250,000 available to move them back and also provided 10 houses to ensure that they had comfortable quarters in which to live.

We are very concerned about these people and we will continue to consider their interests and their concerns.

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PRIVILEGE

COMMENTS REGARDING REGULATIONS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of privilege based on the comments made by my hon. friend the government House Leader who, being unable to react to the substantive aspects of any argument, had to resort to personal attacks on myself by saying that I was being dishonest.

Mr. McDermid: What did you call us?

Mr. Riis: For the record I want to be very careful. The accusation was that I was aware, because of my participation in the work of the Board of Internal Economy, that the regulations that prohibit individuals from making any loud noises in front of Parliament, from demonstrating alone or with other persons with or without a sign, from participating in any demonstration, from distributing any literature or documents, now can be approached by a police officer or by the minister and asked to remove themselves to an area 50 meters away from the doorway

and that if they fail to do that they would be subject to arrest.

I want to say very clearly that those regulations were news to me until they were brought to my attention by the media.

Mr. Speaker: The hon. member for Kamloops has indicated that the minister said that he was dishonest. I do not know whether those were exactly the words used but, in any event, the hon. member for Kamloops raises that and I suppose is asking that whatever it was the minister said, if that was the imputation, be withdrawn. That is the single point I am here to decide, not to reargue what has already been argued extensively.

If the hon. member has a record of the alleged statement I would want to hear that. Otherwise I might have to wait until the "blues" are available and ask hon. members to address me further on the matter.

That is the single point I need to know on this application.

Mr. Riis: Mr. Speaker, I appreciate your intervention and I will examine the "blues". Maybe there was some other term and perhaps "dishonest" was not the exact phrase. But the fact is that it reflects on my ability as a member of Parliament. That was the point on which I was rising in terms of what that would mean to my constituents if that were to go unchallenged.

I appreciate your point, Mr. Speaker. I will examine the "blues" and if that were the case I will certainly be asking my hon. friend and colleague, as House Leader, to withdraw this particular term.

Mr. Speaker: I appreciate the co-operation of the hon. member for Kamloops. I think that is the proper way to proceed. The hon. member for Annapolis Valley—Hants on a point of privilege.

DEMONSTRATION

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I tried to catch your eye during Question Period. I appreciate the difficulties involved in that. Also, I was not on any list, so that makes the difficulties even more difficult.

The fact of the matter is, Mr. Speaker, that if I had caught your eye I was going to ask a question of the House Leader about the present situation on this demonstration regulation that came out of the blue, as far as most members are concerned. If I go outside now and identify myself with some of those lined up ready-to-be political martyrs, am I also infringing on the rules and regulations of this House so that my effort as a member is impeded?

The question that I was going to ask the House Leader, Mr. Speaker, if I had caught your eye was to make sure, in view of the confusion and/or the misunderstanding about this regulation, that the House Leader took it upon himself as the House Leader can do to make sure that he instructs his officials not to implement that regulation any further until this matter is clarified.

That was the question I had wanted to ask, which I could not ask. Therefore I ask you, as the Speaker of this House, if I go outside am I infringing on the rules of this House and/or do I find myself in violation of something that I do not know anything about, and frankly did not make any contribution to?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I will respond briefly, Mr. Speaker. Part of the question the hon. member was going to ask was whether I would ask my officials to stop something. My officials are not enforcing any regulation whatsoever. No officials of any minister are enforcing anything. The RCMP are enforcing regulations which were brought in at the request of the all-party Board of Internal Economy.

We have heard the discussion and the suggestion of the House Leader of the Liberal Party to have the Board of Internal Economy consider this matter again, which I agreed yesterday was the most appropriate, reasonable way. In the meantime, you may get on national television if you go out there and behave like those other members of Parliament.

Mr. Speaker: I am going to call on the hon. member for Saint—Denis in a moment, who usually makes a helpful contribution to this place.

It might be helpful, given the feeling that has been shown on this particular issue, especially given the suggestion that seems to come from the Official Opposi-

tion and some indication from the minister that he would be prepared to consider it, that some conversations take place on both sides of the House.

The hon. member for Annapolis Valley—Hants has posed a question to the Chair, one which I do not think it is appropriate for me to try to answer at the moment because the question is hypothetical. However, the hon. member for Annapolis Valley—Hants has been in this House for many years and has also made a suggestion which might be helpful. I would hope that his representations have been listened to. I do want to hear a very experienced member and colleague, the hon. member for Saint—Denis.

Mr. Marcel Prud'homme (Saint–Denis): Mr. Speaker, thank you for introducing me that way. I hope that you will not change your opinion when I finish my presentation.

I must admit that when we are stuck with a problem we have to cool off. I have myself cooled off since yesterday. I received a phone call last night saying that I blamed the RCMP. To put the record straight, I am not blaming the RCMP. If they think that is their job, and probably it is their job, they have to enforce any law. So let us put the record straight, I am not here to blame the RCMP.

Second, I will even, to the shock of some, say that I am not here to blame the Minister of Public Works if he was asked to do certain research and to put forward a proposal. I am here to ask some guidance. It is well known that for 26 years now, soon 27, when I see people on the Hill most of the time I go to them first and see what is bothering them.

I want to know because when people take the time to demonstrate it is because there must be something wrong. Sometimes after looking and reading—I do not make comments. I do not insult people—I say that I do not think they have a good cause or, in my judgment, and I may be wrong, I say they have a good cause and I look into it. I have been doing that for 27 years.

• (1510)

I even wave to all the cameras because I know they are directly connected to the RCMP, and there are more cameras than ever on the Hill. If you want to know where they are just look on top of every building. There are two on the Peace Tower, one on my building, one on the East Block and one on top of the Langevin building. All of your pictures are taken by these cameras. I always tell those who come to demonstrate to give a good smile because their picture will be taken. I resent that, to be frank.

But when you go in the Senate now, if you scratch your nose someone is going to look at you. If you are interested, go and take a look for yourself.

I hope, Mr. Speaker, you are not going to put us through that in our House or in our buildings. If you go with me, people will say: "I saw the Speaker with Marcel". In the Senate now there are cameras on the sixth floor, fifth floor, fourth floor, third floor and at the entrance. Maybe they do not like us and they want to know who among the commoners goes to visit them. But anyway, that is the case.

I am a little bit worried about that. There is more and more security. We cut everything in the budget but we give $35 million more to this so-called James Bond organization that I opposed under Trudeau and I still oppose. I opposed that under Trudeau and I still oppose the creation of that service. We should have left it to the RCMP. I am still opposed today.

I am worried about this multiplication. I think we could resolve this by looking into it again. I will give you an example. I got this document in English yesterday because I was quick in getting the document. I learned two new words, "ingress" and "egress". It sounds like something in French that I will not mention, but I did not know what they meant.

Some hon. members: Oh, Oh!

Mr. Prud'homme: Genuinely, I didn't know what they meant. I asked my colleague, Madam Mitchell, so I waited for the French translation.

I have to ask you something, Mr. Speaker, as our guide and as our servant of the House. We always take guidance from you. We may exaggerate a little bit. We may push too much without explaining. But I wish someone would tell me what this means: "Parliament Hill, Public Works Act, Regulation, Amendment put to me by the State Ceremonial, Parliament Hill, under the Schedule, subtitle, "Parliament Hill".

> 10.1 (b) demonstrating, alone or with other persons, with or without a sign, or participating in any demonstration;

I can imagine one of the gentlemen who was arrested yesterday coming back here with the thousands of kids in the summer who like to see the Prime Minister or the ministers coming out of the building. There are always

lots of people watching us leaving. I do not know what they are watching us for but they do like to look at us.

I am not trying to suggest to the gentleman who was arrested yesterday what he should do tomorrow, but if it is helpful to him I hope he will listen. If he is there on the sidewalk alone with no sign, but just smiles and waves to everybody that he is annoyed at, is he going to be arrested?

I will say only that. I could go on, Mr. Speaker, but I know your patience is coming to an end, and you are absolutely right. You know I will respect your guidance.

We are stuck with a problem and I would like this problem to be looked into again to see how we can depoliticize these great champions of human rights and political freedom, and all that when we know there is a little bit of political game-playing going on. We all know that.

I will act according to your guidance, Mr. Speaker, but I wish very much that you will take what I have said into strong consideration to see if we have not acted a little too promptly. My father always told me to make proposals and suggestions. Even if it is not acceptable, I will make one.

Maybe the whole matter should be returned to the Board of Internal Economy and it, having listened to everybody, will make some proposals. These proposals should go to the caucuses. If members are absent from caucus or the caucuses have not consulted, that is just too bad. After that, when you are satisfied, you say that these are the new rules on the Hill. This is urgent. Hon. members know that on April 24, my friends from the Armenian community will be coming to the Hill, as they have for 25 years. I would not like to see them in trouble because they do not know about this and they will not know exactly where to walk and where not to walk, and so on.

So I am in your hands, and I know we are in competent hands. It is a difficult cause to solve, but I would hope my colleagues will try to help out in depoliticizing— that is a tough word—

[*Translation*]

to depoliticize this issue so that we can come up with something intelligent.

[*English*]

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, notwithstanding my notice to you about three hours ago, I was not going to rise on my point of privilege because it had been indicated to me about an hour ago by the Table officers that my question of privilege would not be in order because it related to yesterday's incident in front of the House of Commons. But in the last 15 minutes all the talk has been about the incident of yesterday in front of the House of Commons.

I do not want to go on too long. I just want to say a couple of things. I think that the hon. member for Annapolis Valley—Hants has raised a very good question. I think there should be guidelines given to us immediately by the government so that not only MPs but the general public know where we stand.

Is this new regulation going to be enforced? Are we liable to be arrested if we go out and do something that is contrary to the regulation? I think it is incumbent upon the government to tell us exactly where we stand. I also think that my colleague from the Liberal Party who spoke just a few moments ago makes a very good suggestion that this matter go back to the Board of Internal Economy and that it be rehashed and brought to the caucuses so that once and for all the matter can be settled.

Mr. Speaker: I want to thank hon. members for their interventions. We have all heard what has been said. There seem to be some helpful suggestions here and, as I suggested earlier, perhaps some appropriate discussions should take place. Again, I thank hon. members for their approach and for their helpfulness.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, as you probably are aware from reading *Hansard*, I was involved in the incident yesterday for which I think the legal term, in police words, is "occurrence". As you are probably also aware from reading *Hansard* I was having a conversation, as a member of Parliament, with a citizen. It was during that process that this harassment took place.

I have been asked to appear in court on Friday and I am not sure, as a member of Parliament, about the propriety of it. I have not been subpoenaed. I am a willing witness in this case. But there is much confusion about this regulation which, I understand, is a regulatory reform. There is a citizens' code here that requires a pre-publication in the *Canada Gazette*, if I understand

correctly, of 60 days. The 60 days' notice has not been given, as far as I am concerned or as far as I have knowledge of it. It looks as if the government has dispensed with this. I am not sure, as a member of Parliament, where I stand at this point.

Mr. Speaker: Perhaps the hon. member could meet with me in my chambers in a few minutes. I probably could give the hon. member some assistance.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-56, an act to amend the Small Businesses Loans Act, as reported (with amendments) from a legislative committee.

Hon. John McDermid (for the Minister of State (Small Businesses and Tourism)) moved that the bill, as amended, be concurred in.

Motion agreed to.

• (1520)

Mr. McDermid (for the Minister of State (Small Businesses and Tourism)) moved that the bill be read the third time and passed.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, certainly I would like to speak on this bill. The bill itself, I believe, is an important part of a very important small part of where I think that the government should go in the area of small business.

The bill would extend at the present time the Small Business Loans Act for a further three years to ensure that certain loan guarantees of the government for the banks are insured for the small business community. That in itself is advantageous from that perspective. I would certainly like to see this bill passed by March 31 to ensure that those small businesses that are affected will be able to have their loans guaranteed and proceed.

We must look at not only this legislation but at what this government has done for the small business community over the past some years. We see in its last two budget years there were cuts to the Federal Business Development Bank of some $13 million last year, and $18.5 million this year. We have seen shutdowns of rural post offices, which are of major assistance to small business. In small communities people come in to the post offices to visit, to talk to each other and extend out into the community, purchasing within the business community, doing their business in town.

We also see the high interest rate policies of this government. We know that this affects a great many small business people because they do not know from day to day what their expenses are going to be for interest rates. The uncertainty of being in business is bad enough without having the added worry of these excessively high interest rates that the government, quite frankly, can control somewhat, but which it has chosen to let rise at the expense of the small business community.

What else have we seen this government do? Last year in particular, but as well as this year, we have seen cuts in the tourism budget. Much of the tourism in British Columbia in particular and in Canada in general is run by the small business community. In our experience in British Columbia we have seen the rates of tourism increase as the government expended money to advertise tourism. We know that government intervention and government expenditures on advertising assist tourism and the small business community.

But what has this government done? It chose to cut back, again at the expense of the small business community and tourism. That is reflected, I would suggest, in lower tourism rates throughout most of Canada with the exception of those provinces that have put in major inputs into advertising tourism.

What else is there? The small business community does not seem to get the same tax breaks that large corporations get. We question why. Is it not important to Canada, I suggest to the Minister of State for Privatization, that the small business community is an integral part of the economy of Canada and should be treated as

such? We are asking a minimum tax on large corporations, on profitable corporations. We are asking—if you pay attention, if the minister pays attention—

Mr. McDermid: Check your facts.

Mr. Whittaker: Profitable corporations should pay their fair share of taxes. Everybody in Canada should pay their fair share, including the minister. Unfortunately the minister does not really know too many policies. He does not even know the policies of his own government. As a matter of fact he got our page so upset that like him she spilled something just like he spills forth with stuff about which he knows nothing. That is exactly what happened here.

I would suggest further to the minister and to the Speaker that the small fishing community is again a small business community. What has the government done for that community? Perhaps we should ask what has the government done to that community? It seems that on the west coast and on the east coast we have a further destruction of the small business community for the fisherpeople. I would say that that again is unfair.

We also see a mass of bureaucracy and red tape for the small business community. These poor people who are trying to start up firms, often small businesses consisting from one up to five people, have to go to lawyers to get interpretations of all of the mass of red tape in order to get loans and start operations, with the added expense of the borrowing. That appears to be what this government has done to and for small business.

What do we propose for small business? We have to ensure that banks provide more loans to small business at the same rates as those given to the large corporations. We should establish in government a more aggressive "Buy Canada" program which includes government contracts and is targeted to the small business community enterprises. This is how we can give a little hope to some of the small business community.

In the riding of Okanagan—Similkameen—Merritt I have tried to ensure that the small business people there are aware of the government contracts that they can perhaps bid on. But the process is so complex and complicated. They go on a waiting list for over a year and they become frustrated.

Those who do succeed in getting some of those bits and pieces of contracts find that they have to wait from 60 to 90 days often to get paid for what services and goods they have supplied. We must streamline the process within government to ensure that we are geared to helping small business. The government should consider the small business community when making its purchases.

We should further provide risk and venture capital for small businesses. We should provide greater opportunities for women to establish small businesses, including the commitment by the banks to treat women in an equal manner. I have spoken a number of times in debate on small business bills and small business motions about the unfairness to the women in the business community when they deal with banks. I will not go into it in great detail at this time, but I want to show you, Madam Speaker, that in spite of strides that have been made by the banking community, and perhaps even by the various governments across Canada, women are still not looked on with equality in the small business community.

• (1530)

Further, we should identify areas in which small business could expand in order to meet consumer demands now covered by imports. We should provide small businesses with relevant financial marketing and management assistance through a federal one-stop shopping centre to be organized in conjunction with local business communities. I think this is a key to what we should be looking at for the small business community.

What we run into constantly as lawyers in communities, as advisers to the small business community and as members of Parliament fielding questions of the business community is that these people do not know where to go for assistance. They do not know where to turn. They do not know how to go about getting where they want to go through the bureaucracy, federally, provincially, or whatever. There should be offered to these people a one-stop shopping area where they can get the advice they need. They could pick up the brochures they need, as well as the forms they need in order to apply for various grants and programs. They could get advice there, something which they now do through case counselling in the Federal Business Development Bank. Everything should be in one location to assist the small entrepreneur who wants desperately to make it on his or her own in the

business world, to be their own boss, but with some chance of success.

What we see so often in the business community is people with a germ of an idea. They know where they want to go and what they want to accomplish. Unfortunately, they do not know what hoops they have to jump through in order to meet those ends and aspirations successfully. Often, they are unable to calculate a budget properly. Sometimes they have a lot of difficulty with the various rules and regulations set out by government bodies. I suggest that they be given that place to go to get some ideas, to get some basic training in business in terms of how to succeed in business, a place to look for contributions and grants, a place to go to put together their financial packages and to learn how to properly budget. All of these things could be offered in this service centre.

Further, I suggest that the Federal Business Development Bank should be reformed to refocus its activities on small business, especially those most in need. I spoke about this in a motion which was accepted by all sides of this House. I suggested in that motion that the Federal Business Development Bank should be made more relevant to small businesses as opposed to the large or medium sized businesses. Although not all business groups feel that the Federal Business Development Bank is the route to go, it seems that it is the one tool that can be used successfully to ensure a successful small business community, one that thrives.

I further suggest that we direct the Canada Patent Development Corporation to work with small businesses to help them patent new innovations and to market those patents world wide. It is particularly the case in small communities, as I am sure it is in larger communities in Canada, that people with ideas, inventions and interesting innovations do not know where to turn in order to have these successfully produced and patented and to have their inventions successfully protected. We have a lot of expertise within Canada and a lot of people with a lot of good ideas. They do not have the education to know which steps to go through. Often, one of the problems is they do not have the financial backing. They cannot afford to employ a patent lawyer to give them the advice that they require. We have to look at that area in assisting our small business community to expand.

I remind the House that in the last 10 years 70 per cent of the employment created within Canada was created by the small business community. The profits made by these small businesses are usually turned back into the businesses, therefore turned back into Canada in assisting Canada grow and Canadians prosper. We must ensure that this small business community is encouraged, is nurtured and is assured success into the future.

I would further suggest that the tax system be changed to make severance pay tax exempt and to allow the tax-free use of registered retirement savings plans where they are used to start up a new small business. It is not a new idea, but something I suggest could be looked at to encourage the way of the future for Canada. Such a provision would encourage these people who have tucked away some money through one method or another to be able to invest in their idea for the future and to create their niche within Canada's small business community.

I would suggest, as I did earlier, that we immediately move away from the high interest rate policies that we have at the present time. These are very destructive to the small business community.

Last, but certainly not least, in my list of suggestions for this government is that it must now listen to the over 80 per cent of Canadians, and the almost unanimous decision of the small business community, that it must get rid of this goods and services tax. It cannot continue with its jackboot attitudes toward democracy by what is going on in this House through closure, time allocation and by what has been going on in the finance committee over the last couple of days. The government majority in that committee is trying to stop free debate on a tax change so massive that it will cut the legs out from under the small business community when it needs the help the most.

What has been going on in that committee and what has happened in the House since I have been here is scandalous, to say the least. The government has simply said: "We do not want to hear you as Canadians. We do not want to hear you. We will take your briefs, we will not necessarily read them. We do not want to travel to your region of the country. We do not want you to know what we are doing and we do not want you to speak to the committee. We are restricting the ability of Canadians to appear before the finance committee. We are restricting the ability of your members of Parliament as your spokespersons to speak in committees and in Parliament". I say shame on the government for all of

those 23 or 24 times that it has brought in time allocation and closure since November 21 of last year. This is the type of thing that shows the disdain this government has, and in particular the minister responsible for privatization, for small business and the average person out there on the street.

• (1540)

We do not need this kind of thing that we are getting from this minister who is a loudmouth with very little content. We need something with a little bit of substance. We need the opportunity to be heard as Canadians. We do not have that.

We do not need the gags that are being put on members of Parliament and members of the public as a result of what is going on in the finance committee. We in my party will not let that happen. We believe in the people of Canada. We believe in democracy. We do not believe in the jackboot tactics of this government.

An hon. member: You do not know what democracy is.

Mr. Whittaker: Certainly the member does not know what democracy is since he is a member of the side that is putting the gag on. I say that these members should be ashamed of themselves.

Mr. McDermid: Did you hear what the Quebec farmers said about the NDP last night?

Mr. Whittaker: Madam Speaker, if the member knew how to read, he would also tell the House a little more about the reaction of Canada to the shameless tactics of this government in trying to muzzle Canadians. There is no excuse for that type of thing in a democratic society, in a world that is expanding into democracy in eastern Europe. While we are putting up with this government, democracy is being expanded on other sides of the world. It is unbelievable that members of the government can sit there and laugh about it as the minister responsible for privatization is doing, while they carry on shamelessly with their tactics of shutting people in Canada up without giving them the opportunity of speaking up and being heard by the government.

A habit this government got into is one of never listening. It says: "We can hear you". But it does not. It does not know how to listen. It says: "Yes, you can put in your briefs and we will pay attention". But does it? No, it does not. It brings in closure so we do not have the opportunity of ensuring that the people of Canada are heard.

Let us move on to the small business community. Although I do not necessarily agree with every one of these tenets, I think it is fair to set out some of what the Federal Business Development Bank has asked this government to look at with respect to small business. It said that over the last two years there has been a decline in the actual number of new and existing borrowers. There has been a decline in the average dollar value of loans from $163,000 in 1987 to $155,000 in 1988. In 1988, more than 80 per cent of all funds for loans and guarantees were in the over $100,000 category. To put it differently, 3,306 firms or individuals received loans or guarantees in the under $100,000 category, for a grand total of $147 million.

At the same time, those larger firms receiving funds in the $100,000 plus bracket consumed a grand total of $714 million, or more than 80 percent of the $862 million in funds authorized.

In the finance minister's 1989 budget, it is noted, as I have noted before, that he cut $13 million from the Federal Business Development Bank management services. He has cut a further $18.5 million in his new budget from the Federal Business Development Bank budget.

The Federal Business Development Bank is suggesting that it is time to advance from what is all too often a program on interest subsidy for business and a welfare program for the banks to a loan guarantee system funded by users, the banks and government operating at market rates. It further feels that the present loan guarantee system should be changed to eliminate existing distortions by moving to market rates, plus a 1 per cent guarantee fee. The enhanced profitability of the Small Business Loans Act—loans at market rates—would allow banks to end the practice of securing personal collateral in addition to the loan guarantee.

The present practice of triple-dipping, which I have spoken about in the past, by securing loans with government, business and personal collateral should be terminated as a result of moving to market rates.

It further states that consideration should be given to a requirement that banks share in the cost of the 1 per cent guarantee fee given that the banks would be the beneficiary of the market rates. I think that is something that definitely should be looked at.

The FBDB states that chartered banks should take on a greater sharing of the risk through an adjustment of the loss ratio, especially in those regions of the country which enjoy economic prosperity and growth.

The Canadian Federation of Independent Business recommends that the present 85-15 risk sharing arrangement be adjusted to 80-20 or to 70-30 in areas of economic prosperity. The Small Business Loans Act, it states, could be adjusted to reflect different regional economic circumstances to the risk-sharing ratio by introducing a 90-10 formula. This regional sensitive Small Business Loans Act Program could then be promoted by the Atlantic Canada Opportunities Agency and the Western Diversification Office.

It goes on to tell us that moving away from a system based on grants to one of loan guarantees of government would remove the market-place distortions created by advantaging certain companies in the market area. It states that a system based on loan guarantees would also be less countervailable in the Canada-U.S. free trade context.

Finally, it suggests that the present limit of $100,000 on loan guarantees, which has been in place since 1980, incidentally, should be increased to $250,000. It notes that the guaranteed loan programs available to the independent business community in the U.S. has a $500,000 limit.

I think the last one is a reasonable request, that there be an increase in the lower end from $100,000 to at least $250,000. It is not too bad if we consider the upper limits. Certainly, since 1980 we have seen a substantial increase in the cost of living and interest rates which have fluctuated up and down since that time.

Given those situations over the past 10 years, it seems to me, without doubt, that those limits should be raised. As suggested by the Federation of Independent Business, $250,000 seems to be reasonable.

Let me move on to some of what the Canadian Advisory Council on the Status of Women has suggested for women entrepreneurs. In its 1988 report, it made nine initial recommendations for aiding women entrepreneurs. Although these are not necessarily all adoptable by my party, we have to look at them in the context of where we want to go in encouraging the small business community under the Small Business Loans Act, the Federal Business Development Act and other legislation.

The Canadian Advisory Council on the Status of Women tell us that it should obtain the funding and resources required, the longitudinal research, on female entrepreneurship throughout Canada. There should be set up a national information centre on female entrepreneurship in order to develop and maintain a data bank containing recent, up-to-date information on business women and their activities.

Second, the advisory council urges governments and financial sponsors to produce documents and information designed for aspiring women entrepreneurs and elementary school children. I think that is a route that we should look at, an expansion into areas that perhaps have not been looked at before. It is interesting to note in reading statistics and in reading some of the material on women entrepreneurs that what it appears happens is that in the male-dominated business world men have a tendency to look and decide that they want to get into one particular area. They then move with that idea into trying to create a market. They often use borrowed money in order to do so. Whereas the statistics seem to show us that the woman entrepreneur recognizes a need and moves in to fill that need and because of the difficulty in borrowing money often uses her own money in getting to where she wants to go in the small business field.

• (1550)

Statistics also show us that women are more successful. In other words, they have fewer business failures than do men in the small business field.

If we take that as a given, it seems to me that in moving toward equality in all things in this country that we should be encouraging women entrepreneurs

through initiatives such as those set out by the Advisory Council on the Status of Women.

Their third recommendation is to find a mass means of teaching entrepreneurship other than colleges and universities, another building block, if you will, that fits in with my other discussion.

The fourth recommendation is to allocate budgets to develop teaching materials with greater emphasis on female entrepreneurship, to find ways to encourage the creation of women entrepreneur associations, a method by which women can talk to women about successes and failures and where they want to go in developing equality within the business community.

Fifth, the council suggests encouraging universities, financial institutions and governments to carry out longitudinal research on evolution of women-owned businesses, the rate of return, market share and financial structure.

Sixth, it suggests establishing university chairs mandated to develop women entrepreneurship and business incubator projects.

Seventh, it suggests that ways be found to offer aspiring women entrepreneurs free or subsidized services relating to business incorporation and all other services required to start up their business activity effectively.

Eighth, provincial departments responsible for industry, trade and export should be interested in organizing female entrepreneurship bureaus within their system in order to encourage women to create businesses and to provide them with the support they need to develop their enterprises.

Finally, the advisory council suggests that we continue to make bankers, accountants, lawyers and consultants aware of the trust women entrepreneurs place in them and to provide them with useful, up-to-date information on female entrepreneurship in Canada.

If we proceed with many of these recommendations I believe that we would have a much more solid base on which to build our small business community into the future, not just depending on the male-oriented sector but with equality, encouragement and education from school time through to adulthood. Through doing this we could harbour the entrepreneurship attitude in our young. I think we can succeed in getting where we want to go without selling out to multinational corporations and without seeing our resources taken away in dividends and payments to out-of-country corporations.

I would like to turn for a minute to the farmer as a small business person. I think we often forget not only here in this House but in everyday life that the farmer is in fact as much a part of the small business community as is the grocer, the accountant, the small town lawyer, the small manufacturer or retailer. The farmer has the same problems that all business people in concert have.

The farmer must take in inventory, juggle it, sell it and look after everything in between from the purchase of seeds or stock through to the sale of the final product, as does a manufacturer, a wholesaler or a retailer.

The farmer is often forgotten. As we look at some of these suggestions I have set out, in the over-all concept of the successful small business community or entrepreneur in Canada, we have to ensure that what we do in this House to ensure that the small business community is successful is disseminate that information and give encouragement within the farming community. This would give those in that community the same opportunities as all others to have their accounting and computer training, all of the small business training that I spoke about within the one-shop concept.

Farmers, in order to be successful in agriculture, must also be successful in business. It is not good enough, as it was in the past, for farmers to be able to grow products in the field. They must now be effective and efficient. They must have the means in order to do that.

The farmer runs into the same problems that many small business people run into. They do not know where to go to get this information. They do not have the means or the time to get out and find it. The concept again of the one-stop shop would be of benefit to them. If set up across Canada it should be set up in farming communities to give farmers the assistance they require.

In closing, I want to take one last shot at the government for the fact that it is now going to saddle the small business community with the administration of this onerous goods and services tax. The small business community is just rising after the terrible recession of the early 1980s. Although they may have done a little better

in the Golden Triangle of central Canada, in the regions of Atlantic Canada, western Canada and British Columbia, they are just starting to reach some of the levels reached in eastern Canada a year and one-half or two years ago. Business is starting to pick up a little bit. But interest rates are causing a lot of difficulties. Now, in 1991, with the turnaround appearing on the horizon, farmers have to deal with the goods and services tax.

In going through the various communities of Grand Forks and Midway near Penticton, Summerland, Merritt and Princeton, I spoke to members of the small business community. Unfortunately, there have been a couple who have simply said: "We do not need the hassle of more book work", even though the government has told them it will be simple. They have read through the government publications. A number of them have already said: "We are getting out while the getting is good. We are going to go back and try to find a job working for an hourly wage instead of creating employment within our communities".

I spoke to one restaurateur who owns three restaurants in and around Penticton, British Columbia. That gentleman said that with the amount of taxes through municipal taxes, school taxes, provincial taxes and federal taxes presently levied on him and with the added goods and services tax he has already got rid of one of his restaurants. He said that he is on the edge and may not be able to survive with his catering business and his other restaurants. It is unfortunate. That man creates a lot of employment within the city of Penticton and the region.

• (1600)

Small shops in Grand Forks have told me the same thing. They are having difficulty as a result of the perception of the free trade agreement, and as a result of what is happening with the goods and service tax and the perception of what is going to happen as a result of the goods and service tax. Those communities in my riding that lie along the borders are constantly running into further problems with the leakage of business into the United States.

One of the grocery retailers told me that over the American Thanksgiving weekend approximately 15,000 turkeys were purchased in the United States and brought back to Canada. Another grocer told me that at Christmas this year, as a result of those sales, his sales dropped. Prior to this, even against the American lower prices, he used to sell something like 1,200 to 1,500 turkeys before Christmas. This past year he sold just under 150 turkeys. This is the type of thing that we are running into.

Although the taxes are not on groceries, as such, under the goods and service tax, there are constantly more and more people turning to the United States for their purchases. They feel that they can buy it cheaper and still pay the taxes as they come across the border. This is something that has to be looked at to protect the small business community, while encouraging entrepreneurship in Canada.

I agree with the concept of increasing the Small Businesses Loans Act for a further three years. As I have suggested over the past few minutes, I think the government should be encouraged by the small business community to look deeper into where we want to go and how we want to encourage the small business community to develop employment opportunities for the future of Canada. I feel strongly that the small business community is the route of the future for Canada. It will keep Canada competitive within itself and on the international markets.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I must first of all apologize for not being here when the motion was presented; I was at the "marathon" sitting of the finance committee. It is customary to have a few minutes' notice, but unfortunately it was not given soon enough and so I do apologize to the House that I was not here to speak first for the Official Opposition.

This afternoon we have before us a bill to amend the Small Businesses Loans Act. I must make another comment, that on second reading, the minister did not deign to give us new policies to deal with the problems facing small business today. I was not here, but I was told that the government gave no answer on third reading and many organizations are wondering whether there is a minister looking after small business who speaks on behalf of the government, who has a voice in this government, who represents small business in this government. Canada has over a million small businesses.

When the GST bill was being considered, we were told that there were 1.2 million enterprises in Canada, of which 90 per cent are small businesses, and the Minister of National Revenue told us that there are now 1.6 million, an increase of 400,000 over the previous estimate.

In the present debate on the GST, when noticing the absence of the Minister of State for Small Businesses, one can not help wondering, Madam Speaker, if this government has ever understood or if it really intends do something for small business. I do not want to dwell on the subjet, but I wish to offer the government, which is apparently bankrupt of ideas, a few positive ideas concerning the modern small business. To prove my point when I say that this governement does not understand the small business, simply turn to page 8 of the good-looking brochure entitled "Information for small businesses", which must have cost a lot to produce. There is the proof that the government does not understand the first thing about small business. The cash book shown on that page is confusing because, according to the law, the tax will be payable at the time of billing, while in the brochure the tax is payable at the time of collection. That is to say that the law is stating one thing and the Department of Finance another. We must sympathize with the Canadian entrepreneurs who have to spend a lot of time trying to figure it all out while earning their living and that of their families.

I would like to come back to Bill C-56 which is before us today for third reading, an act to amend the Small Businesses Loans Act. Madam Speaker, everybody in Canada agrees to say that small businesses are underfunded. The only real financing program to assist small businesses happens to be the one governed by the law we are amending here this afternoon. Yet, the number and volume of such loans have been reduced by 50 per cent in the past five years. In 1985, the first time this Tory government introduced a Bill to amend this legislation, Madam Speaker, we were really concerned and we mounted a rather virulent attack against it, because we felt rather strongly at the time that the amendments aimed at reducing to 85 per cent the government's guarantee, as well as the 1 per cent cost for obtaining the loan, would proportionally reduce access to the program. In fact, those are not our figures, but those of the department. The annual report clearly demonstrates a significant reduction the first year this legislation was amended in 1985, that is to say, as soon of the guarantee was reduced and as soon as 1 per cent of the total loan was used to cover the loan registration costs.

Madam Speaker, this is not a figment of my imagination, but data which were confirmed by the department responsible for the operation of this program when I raised the issue in committee, and I should like to quote from the transcript of that meeting.

[*English*]

I have a transcript from the legislative committee on this bill. I asked the person in the government responsible for this program why 50 per cent of the activities of this program have been reduced since the first major amendment proposed by the Conservative government in 1985. Even though we vigorously opposed it, the government went ahead with it. We told them then that it would reduce the activity. This is the only program for small business. When I talk about small business, I mean real small business. Small businesses had access. That program was reduced by 50 per cent, not because people do not need money.

• (1610)

We know, and everyone agrees, that the small business sector is underfunded and the program was not available. We had a guarantee of 100 per cent and it was reduced to 85 per cent. We know the banks are not non-profit organizations. The banks are there, and God knows that for every dollar it gives it wants $2 of guarantees. Therefore, it automatically reduces access to that program for starters; young people, women, anyone who wants to start a small business and did not have enough experience in business or collateral to satisfy the bank. On top of that the small business has to pay 1 per cent of the total loan so the government could have insurance to cover any future loss.

All those amendments reduced the activity of the program today to 50 per cent. What I am saying is not an invention. It was confirmed in the legislative committee when amendments to this bill were discussed. I would like to quote for the record what Mr. Juelich said:

—the first time, the registration fee and the loss-sharing per loan of 85-15 and it was stated during discussions of the bill by Minister Bissonnette at the time that it was anticipated that because of those changes—

—and I repeat—

—because of those changes there would be a reduction—

There was an anticipation of a reduction in the numbers of dollars. We saw that for the first time in the first year following the introduction in the fiscal year 1985-86.

It was not an accident. The government did not think it was good and would create more loans and more business. It knew when it presented those amendments that it was depriving Canadians access to this program, which is the only program that really works. It has less bureaucracy, it is being managed by the financial institutions. There is no government bureaucracy involved. It is simple and everybody understands it. But because the government made such fundamental changes, the program is almost useless, because in five years there was 50 per cent less in dollar terms and in the number of loans. I think this is a disgrace. This is a government that gives a lot of lip service to small business but when it comes to doing something, it does the opposite to what small business needs.

[*Translation*]

At the beginning, Madam Speaker, I said that I was anxious to put forward several positive ideas about what could be done today to help this most important area of our economy which creates the greatest number of jobs. The fact is that over the past five years, I have been looking into small businesses and, as a Member of Parliament, I have carried out several consultations and travelled throughout this country. At the time, following all these consultations, I had divided the role played by the federal government in this area into four main components. First of all, information. We have here in Canada approximately 560 different programs either federal, provincial or municipal to help small businesses. The great number and complexity of these programs are a source of bewilderment for business people who do not know where to go to obtain all the relevant information to apply for and obtain assistance under these programs.

In 1984, the Federal Business Development Bank announced a program called *Aide* in French and Aim in English. The purpose of this program was to enter in a computer all the assistance, information and consultation programs directed as small businesses to make them more accessible to people. This was a pilot project, and instead of encouraging this program—of course, this project could have been improved upon by being made more readily available, by making it an information tool for small businesses. The government decided otherwise and completely cut off its assistance to the Federal Bank; although it is still there today it is only for reference purposes and practically speaking, it no longer exists. Therefore, that phase has long disappeared and is now part of the history of the Federal Business Development Bank.

For instance, without really creating a bureaucratic network, the Government could have provided a service. But it would not have been enough, in view of the fact the offices of the Federal Business Development Bank are only located in major centres but the government could have used the services of the various boards of trade. It could have made arrangements with municipal development corporations and other organizations representing small businesses.

Within all these programs, it could have included all markets and statistical data provided by Statistics Canada to provide essential information which small businessmen need to operate a business.

This reminds me of the man who wanted to open a pastry shop and who, while passing through a commercial street, noticed a recently opened pastry shop with a long line of customers waiting to buy cakes and loaves of bread. He said to himself: "This is a fine place where I could open a second pastry shop." Therefore, without investigating whether there were enough potential customers for two identical businesses to survive, the guy went ahead. He found a store close by and opened his shop after spending a huge amount of money. After six months, he realized that both pastry shops could not survive and that one of them would have to close for lack of customers.

If this man have been able to check the federal census and all relevant statistical data, or if he had been able to contact a development board or a chamber of commerce within his community, he would have had access to all the management tools necessary to make the proper decision as to whether this was the right kind of business to get into and the right location.

Therefore, an information centre—

[*English*]

Madam Speaker, I called it in my small business task force report a one-stop shopping centre for small business. You have everything in one place.

I had the pleasure and the honour of travelling across Canada. For example, I went to British Columbia and spoke to small chambers of commerce. For them that program would have been beautiful, just a small PC computer. They could have been hooked up very easily and it would not have been expensive. It is not an expensive program. The chamber of commerce would have contributed to the development of small business and the economic development of the region they serve.

Even though the FBDB started the program AIM, a pilot project which I said from the beginning was not the answer, but at least that was going in the right direction. The program went down the drain because of lack of funds.

Small businesses need information and commercialization. Today, we see a minimal number of small businesses involved with exporting to other countries. It is a sector that creates a lot of jobs. It is a sector that is easy to adjust. It can change very easily because it is small. It does not make boardroom decisions. Usually you make decisions on the spot. It can adjust easily and be competitive in the market.

In order to export products, we need good marketing. We have offices all over the world, in our embassies and so on. But no one looks after small business. Therefore, that sector is missing a big part of the action. We need programs to help.

There again, we do not have to create new things. We have embassies and consulates. We should have people who just look after small business, people who understand the problems of small business. Small business cannot have just one product with big orders. We have to service products and have different small business groups to try to compete in a foreign market. Any Canadian embassy or consulate can talk to big business. When it comes to small businesses, they are lost because they have nothing.

• (1620)

I understand that it is easy to deal with a big contract worth millions of dollars. It looks good in the books and the annual report. Perhaps we should take more time for small businesses. The big million dollar amount will not be there in the beginning, but in the long run it will be.

Think about how many jobs we would create if we encouraged the small business sector to export service and goods. We do not have to take lessons from anyone when it comes to products. We have good Canadian products. We need some marketing. We should help our Canadian small businesses in marketing, giving assistance, help and information on the foreign markets. If we had such a program specifically for small business, I think we could create more businesses by young people coming out of university with new ideas. They would create new products and services and be there to challenge the new markets of tomorrow.

Year after year, the government has cut those vital programs, those few programs that exist. The government might think that small business has a lot of help but really the only federal program is the Small Businesses Loans Act. It has been reduced by 50 per cent in the past five years. There is nothing left. The budget of the FBDB has been cut practically every year and the orientation is moving toward medium sized business. What do we do for small business? Imagine when January 1 comes and the government applies this madness of the GST. What will happen to them? Already John Bulloch has predicted that 50 per cent of small business in the food sector is at risk of closing because of the complexity of the GST.

The government has in small business loans a maximum of $100,000. Today, if you want to open a store, what do you do? Just think of the fact that $100,000 is the maximum allowed, and one has to put up 20 per cent. The rule is that the government will finance a small business for 80 per cent. In certain cases, it is 90 per cent, but they are very few. The majority is 80 per cent. In order to get $100,000, one has to have a project worth $120,000. That is the maximum. Where can you go with that? Most people have nowhere to go.

Small business is asking that instead of having changing monthly payments which fluctuate with the interest rate, why not have an option? It might cost a little extra because it has to have a fixed interest rate and, therefore, the fluctuation might be different. The small business may be ready to pay that little extra in its cash flow planning. Sometimes they do not know how to manage their cash flow, but we are not helping them to manage their cash flow with this program. They do not have the option of saying: "Look, this is my loan. I started with $600 a month and I want to finish with $600.

I know that every month I have a payment of $600 until the end in five or seven years."

[*Translation*]

I see, Madam Speaker, that my time is up. I still have so much to say. I am sorry because if I had been here and if I had been told in advance, I would have had illimited time to address this issue. However you are giving me the signal that my time is up but I do think tradition has been lost here today.

Madam Speaker, in conclusion, I think if we really want to help small businesses, now is the time to put partisanship aside and to stop talking and start acting.

Nowadays, I like to express my ideas. Of course, if we had been elected in 1988, we would already be enjoying all this because it was part of our platform. Instead of increasing the tax burden and the redtape, as the GST will do, thus creating a nightmare for our small businesses, the governement could make the fiscal system much simpler and easier for them with financing programs, for example. There could be loans, but also capital stock to help young people, not to mention women who play quite a part in our economy. So, you will forgive me if I focus on this, but there is so much to be said and I hope we have the opportunity to come back to this issue.

The Acting Speaker (Mrs. Champagne): Before proceeding to the question and comment period, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Cape Breton—East Richmond—Child care; the hon. member for The Battlefords—Meadow Lake—Proposed Goods and Services Tax; the hon. member for Papineau—Saint-Michel—Lay-offs.

I simply want to make sure that, in his comments, the hon. member for Saint-Léonard did not question the way the chair recognized members. When the motion was put forward, the only person to rise was the hon. member for Okanagan—Similkameen—Merritt and I had to recognize him according to the rules. It was not a matter of changing the usual practices and procedures of the House.

Questions and comments.

Mr. Gagliano: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Champagne): The hon. member for Saint-Léonard on a point of order.

Mr. Gagliano: I only want to say that I have total faith in the Chair who gave me all the time I needed, even a little more than the rules allow, and I thank you for it. I just wanted to tell the government that we get used to things being done a certain way. Since I was at the Finance Committee, with five minutes notice I could have got here in time.

[*English*]

Mr. Raymond Skelly (North Island—Powell River): Madam Speaker, I enjoyed the presentation of the hon. member. I would like to make a comment and ask him to reply.

The comment is interesting. It came from a constituent, in this modern day of parliamentary following and input, by a telephone call and then a fax. The fax today from the constituent reads as follows:

> Mr. Prime Minister,
>
> Many happy returns on your birthday, a time to celebrate, reflect and enjoy your accomplishments of the last year. One such accomplishment is the—nuisance regulation—against demonstrating within 50 metres of the Parliament Buildings. Let's enforce it to more than just Kealey—and keep our capital free of demonstrators of all kinds. With this in mind I would ask the Sgt at Arms to arrest and remove you from the House for demonstrating—not only your ignorance of fundamental rights for freedom of expression and peaceful assembly but fiscal responsibility—In Canada—

Mr. McDermid: Relevancy.

The Acting Speaker (Mrs. Champagne): Order, order! The Chair has very much difficulty relating the comments of the hon. member to the speech the hon. member for Saint-Léonard just ended.

We will go to someone who has a relevant comment.

Mr. Skelly (North Island—Powell River): I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Is the hon. member just going to finish reading whatever he was reading?

Mr. Skelly (North Island—Powell River): No, Madam Speaker, my comment relates to the lack of relevancy to the small businesses bill.

The Acting Speaker (Mrs. Champagne): It will come to that one line? The hon. member.

Mr. Skelly (North Island—Powell River): The individual involved is, of course, a small business person in the community of Courtenay, British Columbia, one Mr. Lance Vrabek. He puts the question—

An hon. member: I know Lance, he's an NDPer.

An hon. member: No, he was a Conservative up until this year.

Mr. Skelly (North Island—Powell River): —in terms of government expenditures on items such as the small business development bond are the topic of conversation in many places today. The reason that such concern is expressed is that they see how responsible the government is being with the money that is raised by small businesses and consultants such as Mr. Vrabek. He asks why the Prime Minister is continuing to expend tax dollars to pass and enforce nuisance regulations that will be challenged in the courts and cost further money.

• (1630)

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I will not reply to the first part of the question because I do not think it has anything to do with small businesses. There will be other places and other times to discuss that. As to the money the government is spending while cutting programs for small businesses, as I said in my speech, that is precisely what is happening since this government has cut almost all programs that existed before it came into office without replacing them with new ones. So this government is cutting, and we are seeing almost the end of those programs since the only one remaining has already been reduced by 50 per cent. I hope a copy of my speech will help him inform his constituent.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I congratulate hon. members for their good and positive speeches and suggestions. The hon. member spoke about co-operation between the various levels of government: provincial, municipal and federal. I praise him particularly for his comments on the one-stop shop. In the end, what is missing, Madam Speaker? What we could call a Small Business Protection Act, something to protect small businesses, specially in economic matters over which they have no control.

[*English*]

For example, the small business community needs protection and the proper environment to grow. It does not need hand-outs as much as it needs that kind of protection.

I want to ask the hon. member about his comments in term of the goods and services tax affecting the small business community. Can he tell the House what the introduction of the goods and services tax will mean to a small business that pays $1,000 a month in rent for a shop? Can the hon. member also elaborate a little about the question of the interest rate and what the impact on the small business would be in light of the high interest rate at this point in time?

In conclusion, I really enjoyed his presentation.

Mr. Gagliano: Madam Speaker, I thank my hon. colleague for the question.

In my experience as a parliamentarian, as a critic for small business and as an accountant before for small business, I want to make it clear that no small business wants a hand-out. That sector is proud and works very hard for the community. When one looks at community organizations, who is there to do the job, contribute and give money, goods and service? It is always the small business sector.

Members of the small business sector want programs that can help them, not by way of giving money but by direction, assistance and knowledge about what markets they can have access to or some financial protection in terms of program assisting or a matching program. Really, we have nothing to help them. I am glad in the House today that we have the new Minister of Science, Industry and Technology who is responsible even though he is a junior minister. I hope he pushes a little as a junior minister to be more active in the small business role in terms of advocacy and programs.

Concerning the GST, I think we all agree it is a nightmare and the small business—

Mr. McDermid: No, we don't all agree.

Mr. Gagliano: Maybe members on the other side do not all agree. When I say that they all agree, I am talking about Canadians.

Mr. McDermid: No, they don't all agree either.

Mr. Gagliano: I might remind the hon. minister that last week in *Small Business* magazine 51 per cent of Canadians said scrap the GST, 45 said change it, and only 4 per cent agreed. Only 4 per cent agreed.

When you say you represent small businesses I say shame on you, you do not even listen to them. You know how we feel about the GST. Interest rates are another mess that this government is creating by keeping interest rates very high.

The Acting Speaker (Mrs. Champagne): There is a minute left on questions. The hon. member.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I want to compliment the hon. member for Saint-Léonard on his speech. It was a very constructive one. It showed that he is in touch with the small business community and knows what is going on out there. That is why his speech was so valuable to the House at this time. He gave some very basic examples of what was going on. He talked about the one-stop shopping centre, which is very popular. He even got the front-benchers of the Conservative Party enthralled with his remarks. They just cannot get over it.

He talked about interest rates. We hear from members on the government benches every day about high interest rates and what a terrible problem they inherited with interest rates when they took over government. I want to remind the House today that when this government took over in September 1984 interest rates in Canada stood at 13 per cent. Today interest rates in Canada stand at 14.25 per cent, higher than when they took office. Yet we hear all this screaming over there.

I want to ask a question of the hon. member for Saint-Léonard, who is obviously very well informed on these things. How will 14.25 per cent interest rates, which may go even higher, affect the legislation before us today? Indeed, how will it affect loans for business improvements for small businesses, combined as they will be with the GST problem they will have to face? Let us keep reminding these people that they took over a 13 per cent interest rate in 1984 and they have succeeded in putting it up to 14.25 per cent and still going higher.

Mr. McDermid: We remember when it was 23 per cent, and so do you. We got them down. You didn't.

The Acting Speaker (Mrs. Champagne): A very short comment from the hon. member for Saint-Léonard.

Mr. Gagliano: Even if the members are screaming about what the situation was before they came in, I want to remind them that the real interest rate has never been so high in Canadian history.

I mentioned in my speech that every time the interest rate goes up, the payments on small business loans change. They pay it almost on a daily basis, every Monday, and that is why they do not like it and why they are asking for a fixed payment. This government had a chance to fix that in this amendment and it did not do the fair thing, because it does not understand anything about small business.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Champagne): The question is as follows: Mr. Hockin, seconded by Mr. Clark (Yellowhead), moved that Bill C-56, an act to amend the Small—

Ms. Hunter: On debate.

The Acting Speaker (Mrs. Champagne): I did ask if there was anyone for debate and nobody rose.

Ms. Hunter: Point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): There cannot be a point of order once the question is being put. I am sorry.

Mr. Whittaker: Madam Speaker, a point of order.

Ms. Hunter: Point of privilege.

The Acting Speaker (Mrs. Champagne): Once the question is being put to the House, which was done, there can be no point of order, there can be no point of privilege. The question has been put to the House.

Mr. Whittaker: Over our objections. We did not hear you call "question". We want debate, and you know it.

An hon. member: Respect the Chair and sit down.

• (1640)

The Acting Speaker (Mrs. Champagne): Order, please. I did ask for debate. Nobody rose. I said: "Is the House ready for the question", and no one said no; people said yes.

Mr. Whittaker: We said no.

The Acting Speaker (Mrs. Champagne): Order, please. I started putting the question to the House, then the hon. member for Saanich—Gulf Islands rose. I had already started to put the question. Then the hon. member who rose after could not be recognized because he had already spoken on the bill.

I had started to put the question, therefore there can be no points of order or points of privilege.

Mr. Whittaker: Nonsense.

Mr. McDermid: Read the rules.

The Acting Speaker (Mrs. Champagne): I do not like this remark from the hon. member, because it is not nonsense but the rules of this place, which I did not make and which I try to follow.

I am quite prepared, should there be unanimous consent in this place, to revert to debate and recognize the hon. member if there is unanimous consent of this House, but there has to be unanimous consent.

Some hon. members: No.

Mr. Riis: This is a partisan Speaker.

Mr. Clark (Yellowhead): Stand up and say that. That is contempt of the House.

Mr. Riis: You guys are not going to get away with this. You can't ramrod legislation by having a partisan Speaker in the chair.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 204)

YEAS

Members

Althouse	Anawak
Andre	Assad
Atkinson	Attewell
Bélair	Bellemare
Benjamin	Bernier
Bertrand	Bird
Bjornson	Black
Blackburn (Jonquière)	Blais
Blondin	Bouchard (Roberval)
Boudria	Bourgault
Boyer	Brewin
Brightwell	Browes
Cadieux	Callbeck
Cardiff	Casey
Chadwick	Champagne (Champlain)
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Cooper
Corbeil	Corbett
Couture	Crawford
Crosby (Halifax West)	Danis
DeBlois	Desjardins
Dobbie	Domm
Duplessis	Edmonston
Fee	Feltham
Ferguson	Flis
Fontana	Friesen
Funk	Gagliano
Gauthier	Gérin
Grey (Beaver River)	Guilbault
Gustafson	Harb
Harvard	Harvey (Chicoutimi)
Harvey (Edmonton East)	Hawkes
Heap	Hicks
Holtmann	Hopkins
Horner	Hovdebo
Hughes	Hunter
Jacques	James
Joncas	Jordan
Kempling	Keyes
Koury	Langan (Mission—Coquitlam)
Larrivée	Layton
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Lewis
Loiselle	Lopez
MacKay	MacLellan
Maheu	Malone
Manley	Mazankowski
McDermid	McGuire
McKnight	Merrithew
Milliken	Mills
Mitchell	Monteith
Nicholson	Nowlan
O'Kurley	Ouellet
Pagtakhan	Parent

Peterson	Plamondon
Plourde	Proud
Prud'homme	Redway
Reimer	Ricard
Rideout	Riis
Robichaud	Robinson
Roy-Arcelin	Saint-Julien
Samson	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Skelly (North Island—Powell River)
Sparrow	Stevenson
Tardif	Taylor
Tétreault	Thacker
Thorkelson	Tremblay (Québec-Est)
Vanclief	Van de Walle
Venne	Walker
White	Whittaker

Wilson (Swift Current—Maple Creek—Assiniboia)
Wood—144

NAYS

Members

nil/aucun

• (1720)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Bill read the third time and passed.

Mr. Fretz: Madam Speaker, I rise on a point of order. I would like it recorded that I was in the House for the vote. I did not vote because I chaired the legislative committee on Bill C-56.

* * *

EXTERNAL AFFAIRS

INDEPENDENCE OF NAMIBIA

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, I think there is unanimous consent in the House for the approval of a resolution which I would be honoured to move, seconded by the member for Papineau—Saint-Michel and the member for Saanich—Gulf Islands:

> Be it resolved that this House, at this moment of Namibia's long-awaited independence, extend to its members now in Windhoek its warmest congratulations to the National Assembly and people of the Republic of Namibia on their attainment of sovereignty and on their new constitution.

Some hon. members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Is there unanimous consent for the minister to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

* * *

CROP INSURANCE ACT

NOTICE OF MOTION PURSUANT TO S. O. 57

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I hereby give notice that at the next sitting of the House immediately before the Order of the Day is called for resuming debate on the motion for third reading of Bill C-48, an act to amend the Crop Insurance Act and on any amendment thereto, I will move that the debate be not further adjourned.

* * *

BUSINESS OF THE HOUSE

Mr. Riis: I have a very short point of order about House business, Madam Speaker. Just prior to coming in I was informed that tomorrow would not be an allotted day. I did not quite understand the point he was making. I think he was giving notice of closure on the crop insurance bill. Could he confirm that tomorrow will or will not be an allotted day?

Mr. Andre: No, it will not be an allotted day, Madam Speaker.

Mr. Riis: Madam Speaker, I have received advice to the contrary, but I am looking at today's Order Paper and it says in fact that the commitment was that Wednesday, March 21, the seventh of eight allotted days for the Supply period ending March 26, 1990, would be tomorrow. Is the minister saying that he is withdrawing this particular commitment?

Mr. Andre: Last week, at the usual time when the question of House business was asked of me, I gave my best intentions.

That was based on certain assumptions as to what would occur between then and now. One of those assumptions was that this crop insurance bill, which is so vitally important to western farmers in particular and farmers right across this country, would be passed.

Since that has not happened, I am forced to bring that in tomorrow and to apply closure to ensure that this is in place for the benefit of farmers.

If in fact there was a disposition not to see the clock and deal with Bill C-48 now, which I understand all parties are in favour of, then tomorrow could be an allotted day as was originally planned; we would be able

to follow our plans much more closely. If there is that disposition we are ready to proceed.

Mr. Riis: Madam Speaker, this is an interesting way to do the business of the House in terms of debate.

Our concern, of course, has been that we have been participating in the debate on the crop insurance legislation. It is an important government initiative. We have some deep concerns in terms of the implications, but I am still perplexed that when I read today's Order Paper it says that tomorrow will be an allotted day.

An hon. member: Proposed.

Mr. Riis: It does not say proposed. It says it will be an allotted day.

I guess, at the whim of the government House Leader, the government can curtail that commitment.

I just want to make sure we understand that the government had made a commitment that this would be the business of the day. It has now reneged on that commitment in saying that this will not be the business of the day.

Mr. Andre: Madam Speaker, let me make it clear that the decision I announced to the House after the House Leaders' meeting last Thursday was based on certain commitments given by the New Democratic Party.

Since those commitments were not honoured, I am not able to carry through with the commitments that we made. In fact, had the NDP honoured the commitments it made, I would have been able to honour the commitments I made. Since they did not, I am not able to. I regret that that happened.

Mr. Riis: Madam Speaker, I rise on a point of order. I regret that we are interrupting my hon. colleague's private member's business.

The government House Leader indicates that somehow a commitment has been broken. I have had consultations about what the commitment was. It was that if there was a commitment by the government for an adequate length of debate on the borrowing authority, we could see fit to restricting debate on the Small Businesses Loans Act as well as on crop insurance. That commitment was never forthcoming from this government. For the reason that the government had broken its commitment, we felt no compulsion to fulfil any agreement that the government had.

The Acting Speaker (Mrs. Champagne): The House leaders of all parties may want to continue discussing this point, but I think we should proceed with the Private Members' Business.

I may also in trying to help the House, remind all members that in reading the *Projected Order of Business* we can all see when there is projection of business for subsequent days that the projection is subject to change without notice.

I am sure that all House Leaders can get together and find a way to resolve that situation.

In the meantime, we will turn to the Private Members' Business with the hon. member for Western Arctic.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ABORIGINAL PEOPLES

NEEDS OF YOUTH

The House resumed from Tuesday, February 6, consideration of the motion of Mr. Anawak:

> That, in the opinion of this House, the government should consider developing special initiatives, in consultation with aboriginal peoples, to respond to the serious employment, education and health needs of aboriginal youth.

Ms. Ethel Blondin (Western Arctic): Madam Speaker, last week more than 1,000 athletes from the Soviet Union, Greenland, Alaska, northern Alberta, and the Northwest Territories came together to compete in all kinds of sports and games in the Twentieth Arctic Winter Games.

The symbol of unity and friendship was a message to governments all around the world that young people are models in the practice and demonstration of peace and friendship. That is why this motion is very important. It promotes youth, our future leaders.

The peace makers and this government need to strengthen their investment in the youth of our country. We have many young people who have demonstrated a quest for excellence in this over–all activity that took place in Yellowknife last week. We want to work to

enhance the capabilities of young people to be able to relate to and deal with the challenges that face them in the future.

• (1730)

Without the support of the community leaders such as the mayor, Pat McMahon and the chairpeople Don Cooper and Don Sian this would not have been accomplished. These individuals give support to our young people and have made it possible for these young people to participate in an activity that challenges and gives them the opportunity to excel, not only physically but mentally and psychologically. It equips them and does something for their integrity to be able to excel.

I would like those from all over Canada to support our youth and to enhance and strengthen our commitment to the youth of this country. These are going to be the true environmentalists, the true conservationists. We do not have to change their minds. Their minds are made up that they want a clean environment and they want the proper education. They want to care for the older people and the youth in this country and they also have a commitment to peace. These are not things that have to be taught, these are things they know. These are things that have been demonstrated to them over the last 20 years. An activity such as this and the people who co-operated and helped to put forth this opportunity for our youth are to be congratulated.

[*Translation*]

Mr. Allan Koury (Hochelaga—Maisonneuve): I rise today in the House to deal with this motion concerning the education, employment and health needs of aboriginal youths in this country.

Considered individually or all together, these issues are of vital importance. They reflect the very essence of what we, as Canadians, could probably define as our basic right, namely, the possibility to learn and develop our intelligence, to work in an area of our choice and to have access to the essential health services which greatly contribute to our quality of life.

Clearly, Madam Speaker, when dealing with the living conditions of our aboriginal youths, these issues are of particular significance because several of the benefits which a great many Canadians enjoy in the area of education, employment and health services remain inaccessible to our aboriginal people, both young and old.

Over the years, a lot of effort was spent trying to rectify this imbalance. Our Governments have spent billions of dollars to help our aboriginal people with programs and services, more specifically in the key areas of education, employment and health services.

Nevertheless, our aboriginal people still face tremendous problems. It is especially true of our aboriginal youths whose plans for the future were repeatedly crushed because of poverty, inability to attend schools of higher learning and a lack of decent jobs.

Madam Speaker, past experience has shown beyond a shadow of a doubt that there is no point attempting to deal with these problems on the superface.

Yet, have we not learned from the errors of the past which direction we should follow?

This government has set definite objectives in its policy on aboriginal self-government; first of all, within the limits of the Canadian Constitution, to increase the powers and make sure that more decisions are made at the local level; then, demonstrate more flexibility while acknowledging the various needs, traditions and cultures of the aboriginal people; and finally, make local administrators more responsive to their respective communities.

As I said, Madam Speaker, those are definite objectives. History, however, has shown that to reach these goals, we must overcome a great many obstacles. The fact that the right of Aboriginal people to self-government was not included in the Consitutional Act either in 1985 or in 1987, makes the path to progress beset with obstacles. To achieve progress, we must resume this dialogue.

It is imperative that take we a totally new approach conducive to more productive understanding, trust and consultation. We are now concentrating our efforts on the development of this new climate of understanding, communication and progress.

This calls for leadership, and that is what this government has shown so far. When last on the hustings the Prime Minister restated the government position when he said that Canada cannot be complete unless we solve the problems related to native rights. Indeed, finding a solution to these problems and granting self-government

status to native people is the only way to make progress in education, employment and health.

On a number of occasions the Prime Minister indicated that the government is quite prepared to call another First Ministers' Conference on native self-government and rights as soon as the chances of success are encouraging.

Hon. members are certainly aware that in the last Speech from the Throne the government did commit itself to give priority to native rights the moment the Meech Lake Accord has been ratified.

Our position is clear and unequivocal: we are trying to foster closer co-operation with native people, establish a consensus and turn the self-government concept into reality. This is why federal ministers recently met with leaders of national native organizations, and they are looking forward to other such meetings in the near future.

Anxious though we are to make progress at the constitutional level, Madam Speaker, we are not ignoring the issue of self-government at the community level. As a matter of fact, if we are going to deal with education, employment and health we must not lose sight of the fact that the priorities of native people may vary according to their political structure, their economic base and their culture.

Fully aware of these differences the federal government has taken a number of non-constitutional initiatives concerning self-government so as to follow up on propositions made by various groups seeking to set up self-government systems which go beyond the confines of the Indian Act provisions. We do have strong evidence which allows us to state that this flexible community-oriented approach is producing positive results.

For instance, over 200 Canadian bands have submitted 134 proposals to the Self-Government Negotiations Branch. Even though most of them are only at the initial stage, the Whitefish Bay band, the Mississauga and Chippewa Nations United Councils in Ontario, the Gitskan Wet'Suwet'en bands in British Columbia, the Alexander and Sawridge bands in Alberta and three First Nations in the Yukon are currently taking part in negotiations to establish new community systems of self-government. Many other communities have made significant progress and are expected to initiate negotiations in the next few months.

The global claims settlement process is also designed to increase the Indian communities local autonomy.

Agreements in principle have been signed with the Council of Yukon Indians, the Dénés and Metis in the Northwest Territories and in Quebec. The government has also ratified an umbrella agreement with the Conseil Attikamek-Montagnais and the provincial government. An agreement in principle is currently under negotiation.

An umbrella agreement with the Labrador Inuit Association and the Newfoundland provincial government should be settled soon. Finally, in Eastern Arctic, the government hopes to sign an agreement in principle with the Tungavik Federation of Nunavut.

• (1740)

The Sechelt Indian Band Self-Government Act, passed in 1986, is a prime example of the success of these negotiations. It allowed the British Columbia Sechelts to gain control not only over their own lands and resources but also over social, health and education services as well as local taxation.

Madam Speaker, all these efforts to ensure self-government are major accomplishments but they don't stop there. The government has also made alternative funding arrangements in response to the native communities' desire to increase their financial autonomy and self-sufficiency under the Indian Act. These alternative funding arrangements enable band governments and tribal councils to assume greater responsibilities and more financial authority for program delivery, while maintaining good quality of service and financial accountability.

The Government of Canada continues to work in close co-operation with the provinces to advance the negotiations on land claims and to define and implement self-government plans for native people living off reserves.

These examples show this government's commitment to achieve tangible, progressive change in the area of self-government. They also show that progress is possible. The benefits of these agreements go beyond the communities concerned. These agreements are a major step forward in improving relations between the government and Canada's native peoples. They reduce these peoples' economic and political dependence on the

federal government. They give Indians the power to take charge of their own communities, their own lives and their own future.

[*English*]

Mr. Bob Wood (Nipissing): Madam Speaker, it gives me great pleasure to speak today on the motion of my colleague from Nunatsiaq regarding aboriginal youth. The problem facing these young Canadians is serious and a thoughtful discussion is necessary in order to begin eliminating the problems that affect them. It is no secret to anyone that the aboriginal people of this country are living below the living standards that most Canadians enjoy.

The way we treat our minorities and our young people is a good way of judging our society. The aboriginal people of this country need the help of the Canadian government to develop policies and programs that will enable them to mature and become self-confident in their culture and their language.

The problems they face are enormous and there are some alarming statistics to demonstrate that. The life expectancy of an aboriginal person is 10 years less than a non-aboriginal. The mortality rate of Indian infants is twice as high as the Canadian average. The rate of infant mortality among the Inuit is three times as high. The rate of suicide among Inuit of the Northwest Territories is four times that of the national average. In the Northwest Territories 63 per cent of the population have less than a grade 9 education. Of Indians living in urban areas 66 per cent attain a grade 9 education and of Indians living in rural areas, 51 per cent attain a grade 9 education. Among the general Canadian population 80 per cent have attained a grade 9 education. The difference is enormous.

I think many Canadians would be surprised to hear that half of the aboriginal population in this country is under the age of 25. The socio-economic disparities between aboriginal youth and non-aboriginals is unacceptable. Their health level is lower. Unemployment is much higher. The education level is much lower and substance abuse, of course, is more prevalent.

As a government we have to develop programs and services that will cater to the needs of aboriginal youth. Obviously the programs we have now are either not effective or not as extensive as they should be.

The motion of my hon. friend from Nunatsiaq calls for the development of policies in consultation with the aboriginal people. It is imperative that we increase consultation with the aboriginal people and include them in the decision-making process in order to develop policies and programs that better serve their needs. They are in an advantageous position to understand the socio-economic problems facing the aboriginal people.

The state of health among the aboriginal is well below that of the Canadian average. I know that this problem was identified many, many years ago. Maybe Canadians will have to think twice before saying that we have the best health care system in the world, because our health care system is not reaching the aboriginal population.

There are numerous examples of the poor health level within the aboriginal population. The infant mortality rate is twice that of the Canadian average and the rate of tuberculosis among aboriginals is seven to ten times that of the national average.

Chris McCormick of the Native Council of Canada has said that perhaps the most urgent message voiced by our youth is their alcohol and drug abuse which causes 70 per cent of their deaths.

This is alarming. The problem is grave. Most of the substance abuse cases are due to the erosion of traditional values and the stress due to cultural transition.

Before I go further, I want to address the effects of the last budget on native programs and demonstrate this government's lack of understanding of the aboriginal people. One of the hardest hit programs will be the 99 Native Friendship Centres across the country. These centres, based in urban areas, assist aboriginal people with information such as housing availability, education, substance abuse and employment. This is exactly the type of program that helps young aboriginals to adapt and to cope with a new environment. It is administered by natives and it is for natives. It is a service that the federal government does not provide and it addresses problems of cultural transition and alienation.

Yesterday I received a letter from the Union of Ontario Indians. That letter addresses in part budgetary cuts to aboriginal programs in the last budget of the Minister of Finance. It says that the Government of Canada, through the recent budgetary cuts, has all but eliminated core funding in this organization. They have been notified that the union will only receive the first quarter funding of $45,548 for the 1990–91 fiscal year. This is a reduction of 75 per cent from $181,863 and it is a net loss of $136,646.

Core funding was designed to enable Indian political organizations to consult with their membership and the government. It was initiated as a way to create dialogue and inspire democratic political participation for the First Nation of Canada.

This organization can be an extremely useful tool for policy makers. I have to wonder about this government's commitment to the native people of this country. Why is it eliminating the voice of our aboriginal people?

Another problem that we must address is the level of education. The statistics that I gave earlier show how far behind the level of education is among aboriginal people compared with the national average. Part of the reason why the level of education among natives is well below that of the national average is due to accessibility and the stress due to cultural transition.

Youth must often leave home at an early age and move to a bigger centre in order to pursue their education after grade 9. They are away from home without the family as a support mechanism and they are living in a different world. The culture is alien and sometimes communication is difficult. A young person has to adapt to the cultural changes on his own, and this is not always easy. The statistics show that the level of substance abuse and the high rate of suicide is often an alternative to the cold reality.

I spoke earlier of the Friendship Centres and this is a perfect example of how these centres could provide support for youths attending school away from home. The centres would provide support to the young person in order for him or her to adapt to his new environment. We must, as a government, provide all the possible support to young aboriginals who want to pursue their education if we want to increase the level of education and start eliminating unemployment.

The alternative for these youths to going to school is to stay at home and face the problems of unemployment and a clouded future. The unemployment rate among aboriginals ranges from 35 per cent to 53 per cent depending on the region of the country. Unemployment is a pressing problem, especially because of the population growth of the Inuit and the Indians.

As my colleague from Nunatsiaq said in his speech, the population growth now stands at 3 per cent a year among the native population, which is well above the national average. In the Northwest Territories, this translates into 600 potential entrants into the labour force every year for the next decade. The government needs to stimulate the northern economy in order to find work for these young people before they fall into desperation.

• (1750)

I hope that in the few minutes that I have had I have been able to shed some light on some of the problems the young aboriginal people face in this country. The young people of our country are the future and we have to make sure that all the youth of this country have the same chance to contribute to that future. As a government, we have to include the aboriginal peoples in the decision-making process if we really want to address their concerns.

Last night on the news I saw our Prime Minister announce that the Canadian government will be forgiving debts of hundreds of millions of dollars owed to us by the Caribbean countries. As I watched that I was reminded that, in our own country, some people have a living standard which is comparable to some Third World countries.

I challenge this government to reconsider the cuts to native programs and to actually increase funding. I am pleased to support the motion of my colleague, the hon. member for Nunatsiaq, and I call upon all members of this House, regardless of political affiliation, to support this motion.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, it is indeed a pleasure to be able to speak on the motion of the hon. member for Nunatsiaq which reads:

That, in the opinion of this House, the government should consider developing special initiatives, in consultation with aboriginal peoples, to respond to the serious employment, education and health needs of aboriginal youth.

I am also very pleased that the committee which oversees these things saw fit to make this a votable motion because I think it is very important that every member of this House reflect on this situation and vote on it in order to put clearly on the record how they feel about this question.

I am very proud to speak in this debate because in my constituency of Prince Albert—Churchill River there are 12,000 Indian and Métis children and young people growing up whose hopes are to develop a life in that part of the country, people whom I represent in this House.

When I reflect upon my duties I do not think there is anything more key to how that part of the country develops and what the future society of northern Saskatchewan is going to be than what happens to those 12,000 young Indian and Métis people. Therefore, I compliment the hon. member again for putting this motion forward and causing me and all other members to reflect on the situation.

It is very easy, because of the statistics involved in health issues, employment issues, and the different social problems which exist, to view this as something that is steeped in hopelessness, on which there is not a sense in the community that progress is possible and that the whole thing is sinking into some kind of an abyss. That is a record that needs to be corrected.

When I travel around to the schools throughout my constituency, because there are Indian and Métis people living in rural areas and the cities and towns as well, I find a lot of pride in Indian young people in who they are and in who they want to become. I find that families have a lot of pride in their children. There are a lot of hopes for those children, and a lot of vision for what they can become.

I find a lot of very dedicated teachers, social workers and other professionals, and now many of these are of Indian and Métis background. The training programs which have been instituted over the last 10 or 15 years are actually starting to work and as the Indian and Métis people who have been trained in these professions get into the classrooms and the different professions, we are really starting to see a difference.

We see a reassertion of the role of the elders in these communities and a new willingness on behalf of the young people in those communities to listen to the elders. I see a leadership which is very much aware of the young people in their communities and the very important role those young people will play. When I go to band council meetings and other types of community meetings, a very great part of the time that people spend discussing these issues is in fact spent on discussing the schools and the programs available to their youth. That is probably the biggest priority they have.

Then there are the young people who see themselves playing an exciting role in a future society. They see the same statistics we do. They see the health problems. They have grown up with them first-hand. It comes as a surprise to them sometimes when they hear us bandy those figures about in here. To them it is part of their daily experience.

The problems with pneumonia and tuberculosis have a much higher incidence in those communities than anywhere else. They see rates of suicide among their peers which, depending on the communities, range as high as seven times those of the average population. That is very depressing for communities and families to have to live with. They see employment prospects that are often very dismal.

I note that even in the federal civil service only seven-tenths of 1 per cent of the employees are of native Indian ancestry. If it was not for the Department of Indian Affairs, there would be virtually none at all. This is in spite of the fact that there has supposedly been an ongoing employment equity program in place and that Indian, Métis and Inuit people form about 3 to 3.5 per cent of the population. We are way short in that particular regard.

There is unemployment in many of the Indian communities of 70 and 80 per cent. With regard to the off-reserve employment situation, to our shame, in spite of the fact that the economy has been growing in this country, private sector employment among Indians has actually been falling. Part of that is due to the fact that the policies of this government have focused employment growth on the large urban centres and when Indian people move into those centres they have all kinds of barriers to overcome. Whereas the areas they have lived in, the traditional native communities in the north and isolated areas, are those that have been hammered by

government policies affecting them more than anybody else.

There is also the rate of incarceration. The Human Rights Commissioner says, to our shame, that a native young person in this country has a better chance of ending up in jail than graduating with a university degree. In spite of that, we see a highly motivated contingent of young people coming out of our native communities across this country.

I was pleased to note the report of the National Aboriginal Youth Conference that was held last year here in Ottawa. There was a very strong vision of the future emerging from that. As I think about the young people who attended that conference, I am also reminded of the post-secondary education debates that we had on this Hill last spring. Indian young people from across this country rallied on this Hill and, in the strongest of terms, drew the attention of this House and Canadians generally to the fact that post-secondary education, gaining the tools to determine their own destiny and run their own institutions are what they see as the key and they are prepared to fight for that.

We as people involved in government have fallen far short of our part of the bargain. I do not think we have recognized, as the Indian communities have, the burgeoning labour force that is growing up in those communities. The birth rate is more than double that of society as a whole. The average age in native communities is 23 while the average age of the larger society is 32. Almost 50 per cent are under age 20.

As the member for Nunatsiaq, who proposed this motion, said in his presentation, there will be 140,000 aboriginal young people coming into the labour market between 1987 and 1997, a period we are part way through. The consequences of that large a number of new entrants coming into the labour force is truly staggering.

• (1800)

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

CHILD CARE

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, on November 22, 1989, I posed a question to the Deputy Prime Minister with regard to child care. At that time I reminded the Deputy Prime Minister that the United Nations General Assembly had approved a comprehensive convention regarding the rights of the child.

Furthermore, I went on to share with the House that Canadian governments, both past and present, had spoken out very strongly and enthusiastically with regard to the rights of the child. However, when it comes to the issue of child care, that seems to be another issue as far as this particular government is concerned.

In 1984 and again in 1988, the present administration made promises while in opposition and thereafter while in government with regard to bringing in comprehensive legislation regarding child care in this country. It was reaffirmed in two Throne Speeches. Canadians from coast to coast felt some comfort in the fact that perhaps the long-awaited program for child care would be finally legislated by the Government of Canada.

However, that was not the case. As a result, today as we had in those early years of 1985, 1986, 1987, 1988 and now in 1990, a major crisis is evolving regarding child care in this country.

We lack thousands of spaces for young Canadians in need. The need is well documented. Committees have been struck by this House. Members have raised this issue on the floor of the House of Commons. More important, journalists, as well as those who work in the child care field, have been announcing this crisis all across the country.

The crisis is of particular importance to natives. It should be noted that there are only 70 child care centres

for approximately 1,000 native communities. This is a shocking statistic even for government members.

In addition to that, the native communities were promised $60 million by the present administration which has since been gutted by the administration across the way.

The child care initiatives fund was cut in the recent budget from $15 million to $13.25 million. The child care initiatives fund was set up some time ago. I wish to repeat that while it is not the panacea in terms of the difficulties of the child care movement, it is at least some attempt to provide research dollars for those organizations, and non-profit organizations in particular, to do some research regarding child care in this country.

Now, the great promise of the child care initiatives fund is being reduced by the Minister of Finance, aided and abetted by the Minister of National Health and Welfare and, of course, the Prime Minister.

The be all and end all of the Government of Canada's initiatives toward child care in this country has centred around the Canada Assistance Plan. For those of us in this Chamber who have some familiarity with the contents of the Canada Assistance Plan, we recognize first and foremost that it does not provide the poorer provinces or, indeed, the poorer regions in this country, with the same equitable opportunities as it does other regions of the country. As example would be Ontario. That economy, which is generating sufficient dollars to maintain a balanced budget for this particular fiscal year, can readily afford 50 cents on the dollar, unlike the province of Newfoundland under the Canada Assistance Plan, which cannot afford 50 cents on the dollar for the creation of new child care spaces in that province. This government chooses to do nothing to address the real crisis with regard to creating new spaces in this country.

• (1805)

Second, this government chooses to do nothing with regard to ensuring and enhancing quality child care across the country. More recently in the province of Nova Scotia we have had child care givers go on strike for a fair and equitable wage. Unfortunately, their demands have not been met as of yet. I urge them to continue on in their struggle to get a fair and equitable wage for their services.

It must be understood that the essence of a quality child care program in this country, even in the province of Nova Scotia, will centre around the qualifications and the abilities of those care givers. Therefore, they ought to receive fair and equitable compensation. I am certain that if the national government assumed its responsibilities in terms of putting in place a comprehensive program, it would be able to address this particular program.

In conclusion, I am dismayed at a government which, at one time, echoed the sentiment that it was supportive of a comprehensive child care program, only to find that it has been able to secure billions of dollars for its friends, such as the Reichmann brothers in Toronto. It has been able to write off the debt of other countries and provide untold millions of dollars to its corporate friends. Yet when it comes to child care, there has been no comprehensive legislative program put in place. There have been no substantial dollars being directed toward creating new child care spaces, establishing national standards or providing equitable and fair compensation for those people who work as care givers in the child care movement.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I listened carefully to the concerns expressed by the hon. member for Cape-Breton—Richmond East. When we hear the hon. members opposite, we cannot help thinking that if we had not inherited this incredible fiscal burden in 1984, just imagine what we could have done if we had only 50 per cent of what we now spend on servicing the debt, which we could then spend on child care. Imagine what we could have done with all that money! There is a problem, and it is that this country has a serious budget deficit. However, I would like to remind the hon. member that some components of the national strategy on child care have been put in place, and I will repeat what they are, for his benefit.

I may recall that today, the deduction for child care expenses allows working parents to deduct up to $4,000 from their income per pre-school child. There is also the $200 supplement to the refundable child tax credit, per pre-school child, for low-and middle-income families. There is the Child Care Special Initiatives Fund. The hon. member referred to a problem with child care on Indian reserves. A national study is now being conducted

on the subject. Two hundred projects have been approved so far. There are several feasibility studies for setting up new child care services.

Madam Speaker, I would like to suggest the hon. member go and meet businessmen in his riding, as I did in mine. We are about to set up a unique daycare facility in the workplace.

• (1810)

These businessmen realized it was no longer just the government's responsibility to set up daycare services for their employees. If the hon. member is interested, I would be glad to provide details on this new bill.

Finally, Madam Speaker, we must not forget that during the 33rd Parliament, the Liberal senators blocked a bill that was before the Senate. If this bill had been adopted, perhaps our discussion would not be the same today.

The government also transfers money to the provinces, and in 1989–90, nearly $240 million was paid to the provinces for child care under the Canada Assistance Plan. Finally, Madam Speaker, we are firmly resolved to act on our commitments. I think the government has shown fiscal responsability. We are convinced that, thanks to the latest budget brought down by the Minister of Finance, by the end of our term at the very least we will be able to come back with a more detailed national strategy on child care, and that will undoubtedly be the response the hon. member is waiting for.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, on October 27 last year I rose in my place during Question Period to ask the Minister of Finance about the goods and services tax and the government's advertising and promotion campaign surrounding the tax.

I found the minister's response at the time totally unacceptable. You will recall, Madam Speaker, that as far back as May 23 of last year, the New Democratic Party's research office filed a request through the Access to Information Act to find out how much money the government was budgeting to spend to advertise the unpopular GST.

It was not until September 12 that the government responded by saying that it would spend $6.6 million on advertising. We took it at its word. Although $6 million to advertise a program for which no legislation had yet been drafted, let alone passed, was excessive, we were pleased to get the information.

Then, one month later, officials in the Department of Finance revealed to the members of the finance committee that actually $9.1 million worth of taxpayers' money would be spent in trying to sell this flawed and ill–conceived program to a reluctant and angry population. I was astounded.

The Minister of Finance had taken four months to provide us with the original figures and then one month later his department tells us those figures are 40 per cent higher.

This tell us two things. First, the Minister of Finance has no respect for the access to information laws of Canada. You will recall, Madam Speaker, just one month before in response to a local newspaper's request for information, the minister provided only a part of what was required in the answer.

Second, it tells us that the minister is not to be trusted. He has demonstrated that while he might say one thing, he does another. He tries to tell us that things change, and that his preliminary $6.6 million figure was accurate. If that is correct, then Canadians know something else about the minister—he cannot manage his department.

How can a budget for something like advertising jump 40 per cent in less than one month? How can the minister expect us to believe that he has control of his department or its programs if this sort of thing goes on? I find it hard to believe. That is why I think this is more a case of the minister saying one thing and doing another.

The Minister of Finance is doing what the Prime Minister told him to do when the first polls on the GST came out and the government discovered that more 75 per cent of Canadians opposed the idea of a goods and services tax. The Prime Minister likened his government's approach to that during the free trade agreement when he said to Canadians: "If they do not like it now, we will just sell it to them". The finance minister has taken his boss, the Prime Minister, literally. The more

that Canadians protest the GST, the more money the government is pumping into advertising.

Let us also remember what happened with advertising around that free trade agreement. Even though we do not know all the details yet, because the information is not being made available to us, we know that the recent election victory of the Prime Minister was secured by a massive $2.1 million advertising campaign paid for by North America's big business. We know that that advertising blitz was instrumental in gaining support for a deal that otherwise would not have been supported by Canadians in their hearts, or at the polls.

• (1815)

But who paid for that advertising and what was its purpose? We are now finding out that advertising was paid for by Canadian subsidiaries of giant U.S. corporations, and by some Canadian companies which have since demonstrated very little interest in the well-being of the Canadian economy as they move their operations south of the border. The advertising dollars were invested so that these companies could exploit the Canadian market-place or make deals which were in their interests, in the interests of the American corporations, and not the Canadian people.

The government is selling out the Canadian people, selling us out against our instincts by using advertising and propaganda instead of facts. It is a public relations game that the government is engaged in and it has to stop.

The GST is only the latest example, but it is perhaps the best example. Take the delivery process that we are watching, the delivery process that is in force now as we see the government try to implement the GST at 7 per cent instead of 9 per cent. Has the government backed down? No. It is just an example of the expensive plan to convince us that we have to accept something that is bad for us and bad for Canada. It is all a part of this public relations game.

The GST was a bad tax at 9 per cent. Everyone said that before the finance committee and the government accepted that it was a bad tax at 9 per cent. So what makes it any better at 7 per cent? We know it is a push button tax and within one year of its introduction the government will push that button and the 7 per cent will be a 9 per cent tax. That 9 per cent tax which was bad in the first place will be back and we are supposed to be benefiting from it.

What will we have gained? We as Canadians, as taxpayers, as farmers, as business people, as wage earners or pensioners will have gained nothing from this tax. No amount of government advertising will prove otherwise. So we are well advised not to trust the Minister of Finance, the person whom I now call the minister of propaganda.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, on September 12, 1989, in response to a request under the Access to Information Act, the Minister of Finance described the mandate and operation of the goods and services tax communications working group.

With respect to operations, Treasury Board has approved a budget of $5.138 million for fiscal year 1989-90 and $2.523 million for 1990-91. These figures include expenditures for salaries, travel, supplies, materials and so on.

When salaries are excluded, the working group's operating budget is about $4.6 million for fiscal year 1989-90, and $2 million for 1990-91. In other words, the project total is $6.6 million—precisely the amount specified in the minister's response to the access to information request.

As the hon. member will note, there is no advertising component in this figure. A separate budget of about $4.5 million has been established for such items as advertising the GST 1-800 hotline and publishing public information inserts in newspapers.

The advertising budget was not included in the minister's response because information for the access to information request was based on expenditures up to and including August 8, 1989, the date on which the GST technical paper was released. The 1-800 hotline was started on August 9 and the two-page public information insert only began appearing on August 26.

Recently, the advertising budget has been increased through supplementals by $760,000 for fiscal year 1989-90. This reflects the increased demand by Canadians for information on the GST as evidenced by hotline requests.

The government has an obligation and a responsibility to ensure that individual Canadians and businesses are informed as to how the GST will operate.

The importance of public understanding is a key lesson from other countries where similar tax systems have been introduced. Where business people and consumers have been well informed, implementation has gone smoothly.

• (1820)

[*Translation*]

LAY-OFFS

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, on January 26, 1990 I asked the Minister of Labour what steps he had and would be taking to convince the Canadian General Electric Corporation not to close their light bulb manufacturing plant in east Montreal on July 13, 1990 as planned as that closing would mean the loss of some 200 jobs, involving mostly women with more than 20 years' seniority who would have next to no chance of retraining for the labour market.

All I got from the minister was that he would make sure provisions in the Canada Labour Code would be adhered to, that those responsible for the plant closing would take steps to apply under the POWA Program for older workers. Madam Speaker, that answer was of course not good enough and I said so to the minister, insisting that he contact General Electric to urge them not to put their employees on UI benefits or on retirement, but to keep their plant in operation.

I was not the only one to do so because at a round table of elective representatives in Villeray to the three levels of government, namely Mr. Berthelet, Mr. Biello, Mr. Goyer and Mrs. Martine Blanc of the Montreal City Council, Mrs. Violette Trépanier and Mr. Christos Sirros, two MLA's whose constituencies comprise that plant in Montreal and who are also members of the Bourassa Cabinet in Quebec, as well as my colleague from Saint-Denis and myself, we talked with labour representatives from General Electric who told us about their problems. After that round table in Villeray and a number of consultations, all attendants at that meeting decided to support the employees in their attempt to save the plant. The Montreal councillors and the Quebec MLAs contacted their respective bodies.

I raised the matter here in the House of Commons and urged the Minister of Labour to intervene personally because he is responsible for the Montreal region.

Here we are, two months later on March 20, so I hope the response I get tonight from the parliamentary secretary is a lot more encouraging that what I heard last January. Hopefully the parliamentary secretary will tell me that the minister did get in touch with the company president and made representations to General Electric management to convince them to keep their Montreal plant operating. And I hope he did let General Electric management know that as spokesman for the Canadian government he is not going to stand still while jobs which are important to Montreal disappear because the company has chosen to relocate the plant in the United States.

In light of the fact that General Electric has reported profits of hundreds of millions of dollars for the last financial year, I would suggest this is quite a reasonable request. Nor are we talking about a run-down plant manufacturing nearly useless products, these are halogen or special lamps of the type used by Quebec Hydro and the city of Montreal, state-of-the-art products for which world-wide demand is very strong indeed. This is why we think it is utterly ridiculous that General Electric should decide to rationalize its operations in the United States and in eastern Europe rather than keep this plant running in Montreal.

• (1825)

This is a plant with no labour conflict. If General Electric could say that there had been strikes every year or two, that the labour climate was bad, we could understand that they want to go somewhere else. But I cannot remember the last time there was a strike or conflict at that plant. Labour relations have been very good there for a long time and therefore we cannot accept General Electric closing it down with no consideration for its employees who, I repeat, are mostly women with about 20 years of good service to this company. Overnight, they will find themselves with no alternative unless the economic situation in eastern Montreal changes substantially. I need not remind the parliamentary secretary that in the past fifteen months or so, there have been many layoffs affecting some 6,000 workers in the Montreal area.

These grim answers to the economic situation are absolutely frightening. If I were not short of time, I could give a whole list of companies that have decided to go to the United States or to rationalize their operations in Canada as a result of this free trade agreement. I cannot do so for lack of time, but I hope that the parliamentary secretary has a good answer for me.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I wish to thank the Hon. Member for Papineau—Saint-Michel for giving me this opportunity to inform him of what the Government is doing to help Montreal East.

The hon. member for Papineau—Saint-Michel mentioned of course the many plant closures, but he could not, for lack of time probably, mention also the great many jobs created in Montreal. I could talk about that for a long time.

I should like to re-assure the hon. member that the Federal Government is fully committed to the economic development of the Montreal area. I can also tell him that my colleagues of the Conservative caucus who represent the Montreal area are doing a tremedous job and that at every caucus meeting, they are eager to inform us of their success, and we are well aware of the problems occurring in Montreal, its poverty, and I can assure you that you will hear more about this in the future.

Together with the Quebec government and the city of Montreal, Madam Speaker, the federal government has sponsored the establishment of a committee responsible for the economic recovery and job creation programs in Montreal east. It is made up of four components:

A new Montreal east industrial recovery program for which the Department of Industry, Science and Technology will allocate a budget of $35 million over the next five years. Of that amount $13.4 million have already been committed.

There is an allocation of $115 million, including $19.5 million spent in 1988-89 by the CEIC, for the recycling and training of Montreal east workers; a $125 million reserve made available over a five year period through the Federal Business Development Bank and earmarked for specific projects in Montreal east, including $50 million already in loans already granted; and finally the participation with other Quebec departments in the financing and operation of a discussion and promotion panel on Montreal East.

Of course, the Hon. Member also referred to older workers.

As you know, the government and the provinces have agreed on a single package, the Program for Older Worker Adjustment, and should the workers laid-off by General Electric qualify for POWA, they will get financial aid to meet their needs between the end of their unemployment insurance benefits and the start of their old age pensions.

Madam Speaker, the government is, needless to say, very disappointed to hear that General Electric will close its light bulb plant in Montreal due to a decreasing demand for products made there. It is not true, as the hon. member for Papineau—Saint-Michel claims, that most of the jobs in this plant will be transferred to the United States. We're talking about a responsible company that has been here since 1888.

This company has an extensive employee assistance program which is rather special and could serve as a model for other corporations.

I thank the hon. member for giving me the opportunity to speak on this, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, March 21, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

TRANSPORT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, for months I have been asking the Quebec government to finish work on Highway 117. When the Liberal Member for Lasalle—Émard visited Abitibi—Témiscamingue, he said on the Radio Nord station, on March 12, that Highway 117 was in terrible shape and that Quebec was prepared to speed up repairs on the highway.

I find that surprising, to say the least, because on March 7, 1990, the Minister responsible for Transport in Quebec, Mr. Yvon Vallières, answered my letter dated January 18 in the following terms:

"Further to your letter of January 18, 1990, in which you support requests by the regional county municipalities of Vallée-de-l'Or and Antoine-Labelle to speed up work on Highway 117, I am sure you will understand that considering the present budget situation, I can make no commitment to speed up repairs, and this applies not just to Highway 117 but to the entire province.

However, I intend to set aside $850,000 in 1990-91 for work on Highway 117 within the boundaries of the Abitibi—Témiscamingue region. Work on Highway 117 will continue according to the initial schedule, always allowing for the availability of funding in the years to come".

[*English*]

RURAL VITALIZATION DAY

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, Rural Dignity of Canada has proclaimed today as the second annual Rural Vitalization Day.

It is a time to pause and pay tribute to all those Canadians living in rural Canada who supply us with our food, our forest products, our mineral wealth, a good part of our recreational spaces, as well as a lot of other goods and services.

Unfortunately, much of rural Canada is in crisis today. Farming and the fishery are presently going through a catastrophic economic period so severe that the very future of thousands of farm and fishing families is at immediate risk.

If urgent government action is not taken, these families will be forced out of business and their communities will wither and die. We must stop closing rural schools, post offices and hospitals. Instead, we must take steps to ensure economic and social stability for the rural communities of Canada.

It is time we recognize the immense benefits this country derives from our rural resources, and return to rural Canadians a fair share of those benefits.

* * *

MULTICULTURALISM

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, racism divides communities and leads to discrimination, which can destroy the fabric of a just and compassionate society.

As Canada celebrates the International Day for the Elimination of Racial Discrimination, I salute the Canadian Ethnocultural Council for its noon program on Parliament Hill, which called to the consciousness of all today's celebration.

It is fitting that this House sets the tone for a national policy on racial equality and hears once more the words of retired Supreme Court Justice McIntyre:

Discrimination may be described as a distinction, whether intentional or not, but based on grounds relating to personal characteristics of the individual or group, which has the effect of imposing burdens, obligations, or disadvantages on such individuals or group not imposed upon others, or which withholds or limits access to opportunities, benefits and advantages available to other members of society. Distinctions based on personal characteristics attributed to an individual solely on the basis of association with a group will rarely escape the charge of discrimination, while those based on an individual's merits and capabilities will rarely be so classed.

The ways to eliminate racial discrimination are known. I urge the government to master the will to grant adequate funding to achieve the goal. Together we will go further.

* * *

NORTHERN BENEFITS

Mr. Albert Cooper (Peace River): Mr. Speaker, northern benefits has been an important program for people living in northern Alberta.

This program has helped schools attract teachers, businesses to attract the skilled workers they need, and it allows citizens to better afford the goods and services they need.

I urge the Minister of Finance to accept the two zone concept of benefits as soon as possible.

* * *

MULTICULTURALISM

Mr. Bruce Halliday (Oxford): Mr. Speaker, today, March 21 is the International Day for the Elimination of Racial Discrimination. It is a worldwide initiative to expose the very real threat of racism. Our nation is working toward becoming an ever more compassionate society, but the appalling reality of racist actions inhibits our ability to achieve that dream.

In order to succeed, Canadians must acknowledge that racial discrimination exists across our land.

It is critical that we mobilize all Canadians in a battle against racism. To that end, the federal government has initiated programs, legislation and policies.

I call upon all members of the House of Commons to take action against racism in their communities, to work together every day to eliminate racial discrimination and make Canada a truly fair and just home for all Canadians.

CANADIAN BROADCASTING CORPORATION

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to call to the attention of the House that because of government cutbacks, the CBC has decided to eliminate the position of agriculture and resource reporter at its Ottawa bureau. This decision comes at a time when Canadian agriculture is in crisis, and we should be increasing the information available to the public, not reducing it. The CBC has maintained this vital position since the 1940s.

CBC reporter George Price has filled this position for over 20 years, reporting on Canadian agriculture year in and year out. He is well known in the agricultural community and has established himself as a trustworthy and impartial reporter and media personality. It is shameful that he had to learn the news of the abolition of his position by reading it in a wire story.

Today is Rural Revitalization Day in Canada. I believe it is totally unacceptable that the agri-food sector has lost an important means of communication with the public, which needs to know what is going on in agriculture and rural Canada. It is difficult enough as it is to make consumers aware of the difficulties facing Canadian farmers and rural communities without the government chopping this important means of communication.

I call on the government to reverse this budgetary cutback at the CBC, and to reinstate this important means of communication on the agriculture industry to all Canadians.

* * *

[*Translation*]

MULTICULTURALISM

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, today, on the 21st of March, I would like to take a few moments to mention measures taken by the present government to fight racism and racial discrimination. It was this government that concluded a historic redress agreement with Japanese Canadians to compensate for the unjust way they were treated during and after the Second World War. It was also this government that

appointed the Commission of Inquiry on War Criminals, the Deschesne Commission.

Hon. members will recall that our government passed the world's first legislation on multiculturalism—legislation that recognizes our rich cultural diversity as a fundamental characteristic of Canadian society.

Furthermore, the government tabled a bill establishing the Department of Multiculturalism and Citizenship, whose mission will be to promote the equality of all Canadians.

Finally, Mr. Speaker, the present government recently tabled another bill, Bill C-63, to establish the Canadian Race Relations Foundation. These measures show how far this government is determined to go to eliminate all forms of racial discrimination in Canada. I am convinced that all Canadians will join us today, on March 21, to improve the state of race relations in Canada.

* * *

• (1410)

MULTICULTURALISM

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, like other members have already done, I wish to point out that today is the International Day for the Elimination of Racial Discrimination.

A recent study by B'Nai Brith revealed that last year in Canada there was a 57 per cent increase in incidents of discrimination against racial minorities.

To fight prejudice, B'Nai Brith is selling pins showing four people of various origins holding hands. The following words appear on the pin: "Proud to be Canadian", and "Diversity and Unity".

I am wearing one of these pins today, and I would invite all Canadians to take similar action.

To quote B'Nai Brith, every individual, community group and level of government has a duty to fight racism.

* * *

[*English*]

MULTICULTURALISM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, racial discrimination continues to plague Canadian society in the widespread distribution of racist paraphernalia, increased anti-immigration sentiments, anti-Semitic incidents and the backlash against multiculturalism.

Visible minorities continue to be victimized by racial discrimination in the workplace, in schools, in the community, in the media, in the justice system and even in our own federal institutions.

Instead of expensive billboards on racism, the government must fund community projects that will tackle racism, including media monitoring, public education, TV programs and advocacy groups that speak for minorities.

Aboriginal people who experience discrimination in every facet of their lives must have Secretary of State funding restored to achieve their human rights. We must make employment equity mandatory to remove systemic discrimination, and past injustices must be redressed.

Canada is a multicultural, multiracial country, a country of colour, where all citizens must be equal in reality as well as in law.

* * *

[*Translation*]

DISTINCT SOCIETY FOR QUEBEC

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, opponents of Meech Lake should read or reread certain pages of their country's history. I am not referring to the fanatics and bigots but to those people who say they are acting in good faith, former and present leaders of our society who seem unaware of the fact that Quebec was recognized *de facto* as a distinct society when the Quebec Act came into force on May 1, 1775. The full title of the Act is: "*An Act for making more effectual provision for the Government of the Province of Quebec in North America.*"

Perhaps it would be useful to recall what was said by Lord Carnarvon when he tabled our draft constitution before his peers in London in 1867. He said that Lower Canada was jealous and proud, and rightly so, of its customs and ancestral traditions, and that it was attached to its own institutions and would only enter the Union under the clear understanding that it would keep those institutions.

Quebec's distinct identity was not invented at Meech Lake. It has existed for a long, long time and enshrining it in the new Constitution merely sets the record straight and corrects the injustice of the "night of the long knives".

* * *

[*English*]

RURAL REVITALIZATION DAY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, today, March 21, is the first full day of spring. It also constitutes Rural Revitalization Day in Canada, a day for us to remember and to promote the quality of life for rural and small town Canadians.

Since the Tory government came to office, the quality of life in rural Canada has been in constant decline. The Tories have massacred VIA Rail, chopped the CBC budget, sent agriculture in a tail-spin, mismanaged fisheries, shut down several hundred post offices and promised to shut down all 5,221 rural post offices in Canada.

Canadians living in rural and small town areas have a right to their services. The very urban attitude of Canada Post toward our rural citizen reeks of arrogance toward so many Canadians. On behalf of my Liberal colleagues, I am pleased to stand in solidarity with Rural Dignity of Canada on this second annual Revitalization Day.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

Today Premier McKenna of New Brunswick tabled in his legislature what he called a companion resolution, which he said was designed to respond to concerns people had expressed about the constitutional amendment of 1987.

Will the Prime Minister tell Parliament and the Canadian people today what is his response to the resolution of Premier McKenna, as presented to the New Brunswick legislature earlier this morning?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank the Leader of the Opposition for the question on this important matter. While I was away I received a copy of the resolution, which we are now in the process of examining.

I view the approach by Premier McKenna as constructive and helpful, designed to be of assistance to Canada in resolving an important constitutional difficulty. I am going to examine it very carefully with my colleagues in that light, and respond as quickly as I can, perhaps tomorrow evening on television.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I want to say to the Prime Minister that members of Parliament will want to know whether it is the intention of the Prime Minister to speak to the Canadian people on television, in this House and through this House, or via some other means, bearing in mind his role as Prime Minister in a parliamentary system.

I also want to ask the Prime Minister whether he will not agree that the time has now arrived for a meeting to be called by him of all First Ministers, himself and the premiers of all the provinces, to discuss Premier McKenna's proposals? Does he not agree that the time has now come to take this step?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have never ruled out a First Ministers' conference on the constitution. I thought it would be important for the elements of success to be reasonably present before bringing all the First Ministers together. After examination of the premier's proposal and responses to it from various provincial premiers, I would then have to make that determination, which I will do as quickly as I can.

With regard to the remarks on television, I do not know the format it would take. Presumably it would follow formats that other Prime Ministers before me have pursued, further to either rules that exist for the—I am trying to answer the question.

I am just responding to my hon. friend, the Leader of the Opposition, that I suppose I will follow existing customs and conventions.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, in the light of Premier McKenna's resolution, I want to ask the Prime Minister why he will not agree the time has come for him to call a meeting of provincial

Premiers and discuss Mr. McKenna's resolution as soon as possible. Why will he not agree the time has come for this kind of action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because it is quite obvious this kind of action would be very premature.

It was only this morning that Premier McKenna tabled a complex resolution in the New Brunswick legislature, which has now been sent to other provincial Premiers across Canada and here to the federal Parliament. First of all, all parties must have an opportunity to read the resolution and analyse it very carefully. It will then be up to me to decide whether it would be useful to call a meeting of provincial Premiers and make some progress on this issue.

At this time, such a decision would appear to be premature. Before calling a meeting, I want to make sure we have a very good chance of winning our case. I think we should try and avoid any possibility of an other than favourable outcome as a result of this meeting.

It has happened too often in the past that a major player was hurt as a result of such a meeting, and I would not want this situation to go on indefinitely.

* * *

• (1420)

[*English*]

COMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I believe we would all agree that television is a powerful medium in forming public opinion, expressing cultural values, and defeating the evils of racism. In fact, I would suggest there is no more influential instrument by which to celebrate Canada's diverse identity and to unify Canadians at this critical point in our nation's history.

The Prime Minister has said to his First Ministers that our communication system is the cornerstone for strengthening the unity and the sovereignty of this country.

My question is for the Prime Minister. Why has he allowed his government, in its broadcasting bill, to remove the CBC's mandate to contribute to national unity? Does the Prime Minister not believe in national unity any more?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the government is firmly committed to the concept of national unity. However, I would remind the hon. member that she signed the report of the Standing Committee on Communications and Culture that recommended that the phrase "national unity" be removed from the objectives of the Canadian Broadcasting Corporation.

Some Hon. Members: Oh, oh!

Mr. Edwards: Further to that, Mr. Speaker, I would impress upon her the reality that consciousness and a sense of identity must be there before unity can be achieved. That was the whole idea behind the change in the bill.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as the parliamentary secretary so capably pointed out many times during the course of our deliberations, we did an excellent job but we were far from perfect three years ago. We have made many changes and this country has changed significantly since then. I would remind him that we are in a critical situation and there is a need for national unity at this time.

[*Translation*]

My supplementary is directed to the Minister of Communications. If our broadcasting system is a public service that is essential to maintaining and enhancing our national identity and sovereignty and if through its programming, the system is to contribute to our sharing a national conscience and identity, isn't the ultimate goal national unity? Why did the minister and his parliamentary secretary remove the national unity clause from the bill. Was it to please the nationalists?

[*English*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I would remind the hon. member that not only did the standing committee make that recommendation but the Caplan–Sauvageau task force on broadcasting also made that recommendation. It was made in light of a survey of many such mandates for broadcasting organizations around the world. I would point out to the hon. member that such mandates exist in totalitarian regimes such as

the Republic of South Africa and are not appropriate to a democracy such as Canada.

* * *

FINANCE COMMITTEE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Prime Minister. Late last night the chairman of the finance committee shut down the debate on the goods and services tax simply saying—

Some Hon. Members: Hear, hear!

Mr. Nystrom: Shame, shame!

Ms. McLaughlin: Mr. Speaker, it is interesting that the government side claps for anti-democratic measures and the Canadian public will see that.

Some Hon. Members: Hear, hear!

Ms. McLaughlin: In addition to that, the day before a Catholic priest and an ordinary citizen were arrested outside the House for legitimate and peaceful dissent.

Thirteen times since the 1988 election this government has imposed closure, ending debate on matters in the House. We in the New Democratic Party find this assault on democracy intolerable. I ask the Prime Minister if it is his intention to shut down democracy in the country and to close the debate in the country? If not, what is he prepared to do about his government's actions?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as several of your predecessors and perhaps even yourself have commented many times, the business of the committee is the business of the committee.

My understanding is that what happened last night was an exact parallel of a situation in June, 1984.

Mr. Harvey (Edmonton East): Wrong.

Mr. Andre: After some 31 hours of filibuster, where witnesses were prevented from appearing before the committee, and in keeping with admonitions in Beauchesne's that committees must in fact finish their business at some point in time, the chairman of the committee, as we all do in this place, used the precedences that were there.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Prime Minister. Canadians are asking to be heard on the goods and services tax. They have a right to be heard on the goods and services tax.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. member.

Ms. McLaughlin: I have a file of letters received in just the last day imploring the government to hear their views on the goods and services tax. I have letters from the National Union of Provincial Government Employees, from the United Fishermen and Workers' Union, letters from the Movement Action Chômage du Québec, Solidarité Populaire du Québec, the Homemakers, the United Steelworkers of America and the Chamber of Commerce.

When will the Prime Minister listen to the requests of Canadians and ensure that we can hear their views on the goods and services tax?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the fact is that groups were kept waiting as a result of the tactics of the New Democratic Party in filibustering and going into long, irrelevant and irreverent exchanges of all sorts. We saw the theatrics on television. They were entertaining, but certainly not illuminating.

If, in fact, there are any accusations to be made about not permitting witnesses to appear before the committee, those accusations should be directed to the leader of the New Democratic Party. It was her party's antics that prevented the procedures to be held in a sensible fashion.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is directed to the Prime Minister. What has happened this week is alarming. This file is full of letters. People write us to say what they think of this government's anti-democratic measures. I will quote one from Henri Sader in Montreal:

> It is unacceptable that the Finance Committee should refuse to continue hearings on the GST.

Mr. Speaker, my question for the Prime Minister is quite simple and it is one that everyone would like to ask him: When will the government realize that the public wants to say what it thinks of the GST?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would assume the leader of the New Democratic Party would not be suggesting that having bellowing, screaming, and yelling for hours on end and not permitting questions to be dealt with in a sensible, rational fashion is somehow an expression of democracy. It is more an expression of tyranny, of anarchy.

• (1430)

I would like to quote to the hon. Leader of the New Democratic Party from the text *Procedures for Meetings and Organizations* edited by Messrs. Kerr and King with a forward by Dr. Koester, former distinguished Clerk of this House, which states: "The presiding officer is responsible for safeguarding debate by allowing complete and adequate expression of views and putting the question to a vote when those have been aired sufficiently."

After three years the views have been aired sufficiently.

Some Hon. Members: Hear, hear!

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of members of the Indonesian House of Representatives led by the vice-chairman, Mr. Soekardi.

Some Hon. Members: Hear, hear!

* * *

STANDING COMMITTEE ON FINANCE

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Prime Minister. The Prime Minister may not be aware, in view of the answer given by the House Leader for the government, that the time allocation measure that was proposed to the Standing Committee on Finance was moved while witnesses were still being heard. The roaring and yelling that was referred to was not taking place at all. In fact, the 30 hour long discussion that took place was as a result of the introduction of the time allocation motion by the Conservatives.

Does the Prime Minister agree that the government should impose closure on second reading in the House on the goods and services tax, the most important measure since the income tax legislation of the 1920s? Now we have time allocation in the Standing Committee on Finance, and members of Parliament on his side are stating that closure will be imposed as well on third reading, stifling debate not only in the country but also in the House of Commons on this very important tax measure. Does he agree with that?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, every attempt was made, as we usually do in this place, to get some agreement from the opposition as what would be an appropriate time period for ending discussion. The opposition absolutely refused to give any commitment. Therefore, at some point in time it behooves the chairman to bring things to a vote and indicate when that will be.

In this regard the chairman took a position exactly parallel to that taken when the Liberal government was in office in June, 1984. The chairman did nothing but what the member's party had established as a precedent some six years ago.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, I have a supplementary for the Prime Minister. Since we know that a number of Conservatives, both here in the House and across the country, are opposed to the proposed goods and services tax and that the Premier of Alberta and Mr. Kindy and many others object as well, is the Prime Minister prepared to allow a free vote on the goods and services tax bill? A free vote would be one way to do it.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, we have had several votes on the GST, including a vote in November, 1988, since the GST was introduced before then. The people of Canada, if they had the view the hon. member suggested, had an opportunity to say so at that time. This government clearly has a mandate. This government was duly and properly elected.

Last night a very generous allotment of time was provided to conclude all questions so the matter could be brought back to the House for consideration. Last night a precedent established by the hon. member's party was followed. It takes a pretty vivid imagination to call that a tromping upon of democracy.

* * *

[*Translation*]

MULTICULTURALISM

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Minister of State (Multiculturalism and Citizenship).

Last year, the minister cut funding to cultural groups. This year, he eliminated the language education program and cut funding to native people. He subsequently ordered a study to create a new race relations network. I wish the minister would explain why he cut funding to cultural agencies established by their own communities, and then creates a new partisan agency.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, if I were the hon. member, I would be ashamed to ask such questions about multiculturalism. You did nothing during the whole time you were in power! You spent $45 million during your last term. We more than doubled this, to $94 million, during our first term. Today, we are spending more than $138 million, and the Canadian Race Relation Foundation we are going to establish, with a centre in Toronto, will be a project for all Canadians, to help us gain a better understanding of one another.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): For the minister's edification, we never replaced elected leaders by nominations from a political party.

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. member.

[*Translation*]

Mrs. Maheu: Mr. Speaker, the minister has cut funding to cultural groups. Recently, he set up an advisory committee on multiculturalism, and he tabled a bill to establish the Canadian Race Relations Foundation. Why does the minister keep injecting partisan politics into cultural issues, creating a lot of ill-feeling in the process?

An Hon. Member: Shame!

[*English*]

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, as usual the member is wrong again. There were constraints and reductions in this budget which have been approached in a very consistent and fair manner. The funding for multiculturalism will be the same this year as it was last year in addition to the other $24 million.

But let me tell you what we have been doing. We have been bringing forward an expression of long-term commitment with a statutory basis—a Canadian Multiculturism Act, a new Departmewnt of Multiculturism and Citizenship, a Canadian Heritage Languages Institute, and a Canadian Race Relations Foundation. All of these are commitments which cannot be changed by future governments on a whim. It is our commitment to create a society and a community of equal opportunity and equal access for all Canadians.

* * *

STANDING COMMITTEE ON FINANCE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Government House Leader. I am sure, Mr. Speaker, that you, like the rest of us, heard the House Leader say that what happened last night in the finance committee was the exact parallel of what happened in the justice committee on June 6, 1984.

I have the minutes of that committee meeting from 1984 and I quote one paragraph: "It goes without saying that if the committee does not uphold this ruling, then the chairman has no other recourse except to resign. Even if this ruling is upheld, at the conclusion of this process I will offer my resignation to the committee to avoid the future work of this committee being tainted by the process undertaken in relation to Bill C-9."

Some Hon. Members: Hear, hear!

Mr. Nystrom: If this is the exact parallel of what happened in the justice committee in 1984, the logical conclusion and the honourable thing to do at this time is

to call for the resignation of the member for Mississauga South as the chairman of the finance committee, isn't it?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member should have kept reading his history because the chairman was reappointed immediately thereafter.

Surely the hon. member, being a senior parliamentarian and having been around here for some 22 years now, recognizes that precedents are what guide our operation. He must recognize that there must be some mechanism ultimately to put questions to a vote. This mechanism was available by way of precedent.

• (1440)

It was not done on the first day of discussion; it did not cut off further debate. There will be several days of debate and discussion before it is reported back to the House. One has to really stretch one's definition of "closure" to consider this anything but a very reasonable decision by a very reasonable chairman.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the minister says one would have to stretch the definition. The minister said that the government followed the exact parallel of what happened in the justice committee in 1984. In 1984, the chairman of that committee said: "I will offer my resignation to the committee to avoid the future work of this committee being tainted by the process undertaken in relation to Bill C-9". The chairman of that committee did resign in 1984.

Why does this government not do the honourable thing and demand right here and now the resignation of the chairman of the finance committee? Demand that he resign.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I suspect the New Democrats and other members of this House would in fact raise a point of privilege of some ferocity, given the reforms of Parliament if in fact I were to ask for the resignation of any chairman or interfere with any chairman. He is elected by the committee.

I ask the hon. member to take advantage of his experience, to think back about what precedents mean, to think back about the reality that at some point in time every legislative body has a right to make a decision. This committee was a legislative body last night deploying a parallel from 1984 to put in place an order that provides ample time for discussion of each and every clause of the GST bill.

After three years of discussion in principle I think that is about as democratic as you can get.

* * *

THE ENVIRONMENT

Mr. David Bjornson (Selkirk): Mr. Speaker, I have a question on the environment and hopefully, in the absence of the minister, somebody from the government will be able to respond. I bring this question forward because there seems to be a lack of information provided by the government and also by the media.

Is there going to be a centre for sustainable development? Can somebody answer that question for me?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as I think most hon. members of this House know, the Prime Minister, when speaking to the United Nations in September 1988, announced that an international centre for sustainable development would be located in Winnipeg. As the announcement made at Globe 90 in Vancouver on Monday of this week jointly by the Minister of the Environment on behalf of the Government of Canada and the Premier of the Province of Manitoba indicated, that centre is in fact now established.

I would suggest to you, Mr. Speaker, that this is an excellent example of a promise made and a promise kept.

I am also pleased to advise the hon. member that an initial number of Canadians have been appointed to the board of directors and I will name just three. Lloyd McGinnis, a well-known Manitoban with an established record in international development; Dr. Clay Gilson, an agricultural expert; and Jim MacNeill, the Secretary General of the Brundtland commission are three who will serve as members of the board.

[*Translation*]

PARLIAMENT HILL

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Leader of the Government in the House of Commons.

Yesterday, the minister tried to implicate the opposition in its unacceptable ruling with respect to public order on Parliament Hill. However, he admitted himself that no one had ever shown either the ruling or its contents to the opposition.

My question is as follows: Why did the government violate its own official policy of giving sixty days notice before any ruling takes effect? What justification was there in this case for not applying that policy?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, it is certainly provided in the Statutory Instruments Act that for internal matters the 60-day period does not apply. But in this particular instance I was certainly informed, and I saw on television two weeks before the implementation, that the regulations had been promulgated and that there had been discussions in the Board of Internal Economy earlier as to their nature. There was all-party agreement.

There was no reason to suspect that the hon. member was not kept informed by his House leader. How am I supposed to know that happens?

Hon. Bob Kaplan (York Centre): Mr. Speaker, I will direct my supplementary question to the Minister of Public Works because it was that minister who made the submission to cabinet that resulted in that order coming forward.

The minister said in paragraph 10 of his submission to cabinet that this regulation will only be enforced in situations of undue noise or disturbance immediately next to the Parliament Buildings.

What undue noise and disturbance was there in a 70-year old priest, Father Van Hee, whose protest was in the form of a silent vigil?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, my colleague should know that it is the Royal Canadian Mounted Police who, in their discretion, enforce these regulations. I know that he would not expect me or any other minister to direct the RCMP as to how they should carry out their business.

* * *

PUBLIC SERVICE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, it is quite clear from the Canadian Ethnocultural Council study released today that the federal government has failed visible minorities including women, aboriginals and the disabled.

Through you, Mr. Speaker, I ask the Prime Minister of Canada how he can justify a rate of 2.9 per cent representation for visible minorities in the Public Service when there is an availability rate of 6.4 per cent in the labour market. This is clearly a failing grade for the government and totally unacceptable. How can he justify this?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to point out to my hon. colleague that when we took office the rate of visible minority participation in the Public Service was 1.7 per cent. We have increased it in five short years to 3 per cent and the target for 1991 is 3.8 per cent. That is an awful lot more than that government ever did when it was in office.

Ms. Blondin: Mr. Speaker, I do not think the minister is going to go straight to heaven for his accomplishments if he dies today.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary question is for the Prime Minister. Why do the Prime Minister or the minister not simply admit that the representation of these groups in the Public Service is dismal, particularly in the management category?

Will the Prime Minister commit today to include all federal departments and institutions in a strengthened Employment Equity Act so that the visible minorities can take their rightful place in the Public Service, instead of being so absolutely ridiculous in his comments?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, to reach the goals that we have set for ourselves in this respect we have appointed an advisory committee. We have put in place a visible minority employment program in the Public Service. This is a program to actively recruit and promote visible minorities. We have allocated this program $15 million and we have provided this program 400 person years to

facilitate the entrance of visible minorities in the Public Service. We are starting to see the results and they are very positive.

• (1450)

* * *

FINANCE COMMITTEE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the House leader as well. He has suggested that there would be ample debate within the finance committee. In fact, the motion which was put before the committee last night says there will be five minutes of debate on each amendment. Do this minister and his government feel that five minutes of debate on each amendment is ample opportunity?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, after three years of committee study and touring the country and so on, to talk of five minutes is a bit ridiculous. But even five minutes is more than the NDP were allowing with their filibuster.

This committee order, as I read it, provides for several more days, many hours each day, of study of the bill and allows that there be at least five minutes on each amendment so that there is not an automatic push–through.

If New Democratic Party members had been willing or, indeed, are willing now to reach some reasonable accommodation as to when they would be prepared to see all motions put, then something could be done. As long as they remain unreasonable, somebody has to reach a decision.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact it was a maximum of five minutes of which one minute would have to go to the Finance Department. So we, the members of Parliament, get just four minutes.

Does the Prime Minister feel that this kind of dictatorship in committee is satisfactory in this country when he himself stands up for democracy in South Africa?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, for weeks and weeks, months and months indeed, we have been asking the New Democrats to tell us when they were prepared to see democracy work and a decision to be voted on by the committee. They refused absolutely to ever make a commitment that they would ever allow a vote to come to the committee.

Their filibuster took up the equivalent of 20 sitting days of that committee. Surely after that amount of time the hon. member has to concede in his heart of hearts that it is time to put the question.

* * *

EXTERNAL AFFAIRS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I know you would be interested in a phenomenon that occurred 51 years ago today where the perfect alignment of the stars signalled the birth of our Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Speaker: That may be, but what possibly could be the question?

Mr. Schneider: Does he know that it is my birthday in two days?

On a much more serious matter, my question is directed to the Secretary of State for External Affairs. He will recall that two executives of the Saskatchewan Transportation Company were charged with a criminal offence. They are apparently free on bail in the state of Texas but are not permitted to leave the state. It is my understanding that their trial will not be held until September.

Can the federal government intercede somehow to allow these individuals to come back to Canada to at least spend that time prior to the trial with their families?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question relates to two Canadians, Don Castle and Darrell Lowry. The arrangements and laws that are in place do not allow those two individuals, in the current circumstances, to get back to Canada. They are facing criminal charges in Texas. Since that matter is before the courts I cannot comment further on it.

IMMIGRATION

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to address my question to the Minister of Employment and Immigration.

The 1991 expenditure plans confirm that the government is planning to not continue its citizen instruction and English language textbook training agreements effective April 1. That is less than two weeks away.

Why is the Canadian government insisting on undercutting those new Canadians trying to learn English, trying to establish a community life, trying to get better jobs, by taking away opportunities to learn our official languages? Will the minister immediately reinstate this low cost and effective program?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like to point out how much of an increase there has been in the instruction and capability of language training for immigration since this government took office.

We spend $130 million a year on language training in our various programs. That is considerably higher than it was in 1984. I would point out particularly that the Settlement Language Training Program marks the first time that a government has provided a program designed for people not destined for the labour force. It is for women at home.

We have made a lot of progress in this area and I am quite hopeful that we will be able to make more.

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EXTERNAL AFFAIRS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the Secretary of State for External Affairs. I want to raise a very serious matter with him today because of the presence of a delegation from Indonesia.

As the minister knows, six Indonesians are facing a death sentence. Has the minister had an opportunity to raise that with this delegation? Perhaps more important, will he take measures to arrange for parliamentarians to meet with them so that we may raise our concerns with them at this time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not had the opportunity to raise the matter with the delegation, but I have had the opportunity to have the matter raised with Mr. Alatas, the Foreign Minister of Indonesia. He has given me an understanding that leads me to believe that those executions will not proceed.

* * *

PUBLIC WORKS

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is for the Minister of Public Works. Yesterday the minister informed the House that he would find out whether negotiation has taken place with any of the four bidders for the goods and services tax centre prior to the formal tender call.

Can the minister inform the House today whether or not such negotiations did in fact take place?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I do not know of any particular negotiations that have taken place. Of course, as my colleague knows, once the tendering process has occurred and is complete, there can be no further negotiations except for clarification or it would be looked upon as bid repair.

As far as I am aware, there were no negotiations about any particular buildings.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the minister also told the House yesterday that the bidding process was completely transparent.

Can the minister explain how the system can be transparent and fair when Justice Strayer said with regard to the case last Monday that one of the bidders, namely the lowest tenderer, had not been informed of the changes in the rules?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I did read Mr. Justice Strayer's decision, as I indicated I would. I took his words very seriously, as I know the member would, when he talked about a certain lack of apparent administrative fairness.

Again I point out that as far as transparency is concerned, once the process has been engaged and any of the parties are concerned about how it works, the data is there for them to scrutinize afterward.

CRIMINAL CODE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the absence of the Minister of Justice my question is for whoever is speaking for her today.

Polls tell us that intolerance in society is dangerously high and this has been inflamed by racist pins, T-shirts and calendars, and by comments such as those made recently by the Deputy Prime Minister which denigrated our Charter of Rights.

When will the Minister of Justice—

Mr. Speaker: Order. I am sure the hon. member would not want to pursue that without a lot more evidence, especially on such a delicate question. Would she please complete her question.

Ms. Mitchell: Mr. Speaker, I will be glad to provide a quote if the Deputy Prime Minister would like it.

When will the Minister of Justice discuss needed amendments to the Criminal Code to reduce the dangerous expansion of racist and inciteful materials?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I could probably speak for all members of the House when I say to my hon. friend that the reputation of the Deputy Prime Minister with respect to the protection of individual and human rights is an absolutely outstanding one. I know my hon. friend will want to withdraw any suggestion to the contrary.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: Read the article.

Mr. Mulroney: My hon. friend says: "Read the article." I have read the article. All I can do is tell you, having read it, that it underlines again exactly what I have said about the Deputy Prime Minister. He is an outstanding parliamentarian who has already defended individual and human rights throughout his career.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, where my hon. friend is right is that there are troubling instances of racism and bigotry in Canadian society. There is a tendency in some quarters to display an obvious lack of understanding and charity toward minorities of various kinds. This is most unacceptable in our society. Canada, with its imperfections, has always prided itself on some degree of excellence in this area of our national life.

I welcome the point made by my hon. friend. I give her the assurance that the government will be most vigilant, in respect of ridding society of these problems that she raises, by co-operating with all members of the House to make sure that instances of racism are stamped out as quickly as they can be in Canada.

Some Hon. Members: Hear, hear!

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PARLIAMENT OF CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rose earlier today to make a statement which I think is of particular interest to this House and did not have the opportunity to do so.

I wanted to bring to the attention of the House that it is the one hundredth anniversary of the first woman member of Parliament, Agnes MacPhail, and that later today we will be unveiling a plaque to Agnes MacPhail who worked for farmers and justice in this country.

I would like to say that I am sure this House joins us in commemorating the anniversary of the first member of Parliament in Ottawa, the first MPP in Ontario, and the first woman to the League of Nations.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first I want to congratulate the Leader of the New Democratic Party for this very valuable initiative and to commend her again on behalf of all parliamentarians for her own election as leader of her party. That in itself is an important part of Canadian history. I congratulate her for that magnificent achievement.

An Hon. Member: Hear, hear!

Mr. Mulroney: My admiration does not extend beyond the issuance of the writs for the next election. Her achievement is already very considerable.

I take advantage of the very important point raised by my hon. friend to point out to the House that I had the honour recently of inviting the Governor General to invite to membership in the Privy Council the Hon. David Croll who turned 90 last week. He was a distinguished member of the Legislative Assembly of Ontario, a member of the Senate since the mid-1950s and has served Canada with great distinction. The Governor

General will be swearing him into the Privy Council this afternoon.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, on behalf of my party I want to join in the celebration of the anniversary of the first woman member of Parliament.

The individual in question was an outstanding member by any stretch of the term. She made a signal contribution to the work of this House and this country. She obviously was the precursor of growing numbers of women who are playing a substantial role in this House and in government generally.

It is not too often that I can find something good to say about any of the decisions of the Prime Minister. I do want to say that I have nothing but praise for his recommendation to the Governor General that the Hon. Senator David Croll be summoned to the Privy Council.

David Croll has had one of the most remarkable careers in Canadian public life, coming to this country as a boy with his family as an immigrant from eastern Europe. Between 1930 and 1940 he served as Mayor of Windsor, provincial member for Windsor—Walkerville, and member of the provincial cabinet under the premiership of Mitchell Hepburn in three cabinet portfolios. When he did not agree with his government when it came to organization of workers and unions, he left the cabinet with the words that I think should be an indication of an example for all of us when he said: "I would rather walk with the workers than ride with General Motors".

When the war came in 1939 he joined the Essex Scottish Regiment as a private. He ended the war as a colonel having served overseas. He was then elected to the federal Parliament as Liberal member for Toronto—Spadina, going on to be summoned to the Senate in 1955.

As a member of the Senate he was responsible for outstanding reports, precursors of important initiatives and social policy in the areas of pensions, in the areas of work for the aged and consumer protection.

I am very glad that the Prime Minister has chosen this occasion not only to honour the first woman member of Parliament, Agnes MacPhail, but someone who continues at the age of 90 to be a very distinguished and active parliamentarian, the Hon. Senator David A. Croll.

Some Hon. Members: Hear, hear!

Mr. Speaker: I have some questions of privilege. The hon. Leader of the Opposition.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question of privilege arising out of what was said by the government House leader in Question Period.

In one of his answers to the member for York Centre I thought I heard him say that I as House Leader had received a copy of the regulations in question dealing with limitation of demonstrators 50 metres from the House of Commons before they were proclaimed, and that I knew about them at the time they were proclaimed. I want to tell the government House Leader that he is completely wrong in this regard.

The Commissioners of Internal Economy, at the request of a Conservative member of Parliament at the beginning of December of last year, as is on the record of this House, had a discussion about the matter of limitation of demonstrators within 50 metres of the House of Commons. As the record of this House shows, the Speaker wrote to the Minister of Public Works asking that the possibility of regulations be considered. The letter of the Speaker is on the record of this House.

I want to say to this House that I certainly did not see these regulations before they were proclaimed. I was not aware of them at the time they were proclaimed. If I had been, I certainly would have had a lot to say at the time prior to their proclamation.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the records of the Board of Internal Economy, of which I was not a member but of which the hon. Leader of the Liberal Party was at the time, show that on November 22 the committee asked the Speaker to write

to the Minister of Public Works requesting that regulations be put in place providing unfettered, unharassed access to this building and providing a specific space for demonstrations.

I was told at the time that part of the motivation for that was the point of privilege of the Leader of the Liberal Party who said that he was unable to get to the Hill because of taxis demonstrating on the Hill. That matter I gather is still before one of the committees of this House, since it was found to be a prima facie case of privilege.

The request was made by the Commissioners of Internal Economy to the Speaker on their behalf to provide these regulations.

The regulations were done according to statutory instruments law. They were posted. There was at least one story in *The Ottawa Citizen*. Anna Marie Tremonti had it on *The National* on March 3, I think. There were discussions among people in various ways.

The fact that the Leader of the Liberal Party now says that he was in the dark about all this is a source of regret. Perhaps we would not be having what is a pretty silly discussion now if he were not in the dark on it.

There was no attempt by anybody to hide anything. What happened was that the government responded to a unanimous request from, among others, the hon. member himself.

Mr. Gray (Windsor West): Mr. Speaker, I want to say that the government House leader would have more respect from the members of this House and from the public generally if he would learn to recognize that sometimes he is wrong, that he can be wrong and is willing to admit it.

Some Hon. Members: Hear, hear!

• (1510)

Mr. Gray (Windsor West): The record of the House into which the Speaker's letter was read said simply that members of the Board of Internal Economy asked that the possibility of regulations—possibility—be looked into.

Second, the statutory instruments requirements were not followed in this case. There was not the 60 days' notice required.

I think that the government House leader, I repeat, would be in a better position to do his job if he were willing to accept the fact that contrary to what he suggested during Question Period I was not shown these specific regulations in draft or final form before they were proclaimed.

I also want to say that the issue I raised in the House as a question of privilege involved something quite different from the circumstances behind the regulations we are talking about. I raised a question of privilege because I was in a taxi near the flame, with a number of other taxis that wanted to ride up on the Hill to protest the government's goods and services tax. We were prevented from doing so by the Mounted Police.

I raised a question of privilege because there are precedents dating back hundreds of years in the Parliament of the United Kingdom which show that members of Parliament cannot be impeded, even by the police, when they want to get to Parliament. That is quite a different matter.

I never suggested in that question of privilege that I was impeded by any demonstrators. It was a matter of the RCMP doing it.

I raised the question of privilege which was referred to the Standing Committee on Privileges and Elections which, through no fault of the committee, has not dealt with it yet. I was not the source of the issue being raised by the Commissioners. It was a Conservative member.

I ask the minister to get his facts straight. I repeat, if he wants to have any respect in the House as House Leader, it would help if once in a while he would admit that he can be wrong as he was wrong in what he said during the last Question Period.

Some Hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, I have no trouble admitting that occasionally I am wrong.

Some Hon. Members: Oh, oh!

Mr. Andre: The hon. member said that I should admit that I am in error. He said that this issue was raised by a Conservative member in December. The minutes of the

committee meeting were for November 22. This Board of Internal Economy which he is on was anticipatory. It read the minds of this mysterious member who sometime later was going to complain. That is absurd.

Mr. Gray (Windsor West): I just want to say that I am happy to correct the record.

Mr. Speaker: If the Leader of the Opposition wants to correct the record, I would like to hear him.

Mr. Gray (Windsor West): Mr. Speaker, I am just happy to say that the meeting in question in which the issue was raised by a Conservative member preceded the date of the Speaker's letter. I will readily concede that.

Mr. Andre: Will you concede one more thing? I have one more thing that I would like you to concede. You said that the letter from Mr. Speaker was merely a request to look into it.

Will you concede also that on the strength of the request from the Commissioners of Internal Economy, a lawyer was hired to draft the potential regulations? Will you concede that that letter also contained the draft regulations in the letter?

An Hon. Member: Address the Chair.

Mr. Andre: Will he concede that that is something more than what he has implied now as merely an expression of "Gee, is it possible for you to consider this?"

Mr. Gray (Windsor West): Mr. Speaker, I was not aware of which lawyer drafted the regulation.

Mr. Speaker: Order, please.

Mr. Andre: I am tired of hearing your accusations. You were there; I was not. You were there and you asked for it.

Mr. Speaker: I would ask the hon. minister and the hon. Leader of the Official Opposition to let the Speaker intervene. I have listened to the remarks of the Leader of the Opposition and I have listened to the reply.

First, it is not a question of privilege.

Second, this is developing into debate. I think that in the interests of other hon. members who have business to bring before the House we should conclude the remarks.

There is a series of points of privilege. I will deal with them as they were delivered to me. They may well involve the same issue.

The first hon. member whom I will hear will be the hon. member for Burin—St. George's. I will give him sufficient time to explain the circumstances and to explain his claim for privilege.

If a number of other applications are on exactly the same point, I want to make it clear to the House at the moment that while I will hear individual members I do not intend to hear the same facts and the same argument repeated endlessly. If hon. members want to look for any examples, this is the practice that we have followed for a long time. A number of members may have the same grievance but if the same points and the same facts have earlier been argued then there is no need to repeat them endlessly. I would ask hon. members to keep that in mind.

In any event we have a number of applications. It is not for me to indicate to the House from whom they are, but I will be watching for members. I notice the hon. member for Burin—St. George's has already been on his feet and I recognize the hon. member.

Mr. Riis: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Kamloops on a point of order.

Mr. Riis: Mr. Speaker, I will take only take a moment or two of my hon. colleague's time. I did send notification to the Secretary of State for External Affairs indicating that I plan to rise on a point of privilege as a result of a near physical assault in the House of Commons yesterday.

The fact that he is here and the fact that if we are going to raise a point of privilege regarding an individual member, perhaps he would see fit to stay in the House so that we have a chance to raise that point of privilege at the appropriate time.

Mr. Speaker: The hon. member for Kamloops has communicated with the Right Hon. Secretary of State for External Affairs in perhaps an ingenious way, but perhaps not altogether within the rules. I am going to leave the message where it has been sent.

In any event, I have to take the points of privilege in order and start with the hon. member for Burin—St. George's.

FINANCE COMMITTEE

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, as required, I gave notice of my intention to raise a question of privilege arising from the abridge-

ment of rights of members in the Standing Committee on Finance last evening.

Last night in the committee around 10.30 p.m. the chairman, the member for Mississauga South, interrupted the proceedings and said in part: "It is my order as chairman that the resolution produced by Mr. Soetens is deemed withdrawn and that the committee proceed to the following order", et cetera. The chairman then proceeded to read the draft order that he had in his hand.

Further in the transcript you will find that a minute or so later the chairman said: "I am told by the clerk that there are no points of order, no debate on it any further."

I submit that those two actions, two utterances by the chairman of the finance committee last evening, first, have never happened before in that particular context. Reference has been made today to the June 1984 justice committee meeting. The House will be aware that that clearly cannot be a precedent and that the chairman of the day not only apologized for his action but offered, on two occasions at least, to resign in consequence of his actions.

I submit, Mr. Speaker, that while it is often said—and rightly so—that a committee is the master of its rules, that should never be taken as a licence for the committee to become a law unto itself. It is a creature of Parliament and as such has no mandate to abrogate or trample on rights of members which are taken as being axiomatic in this place, in the House of Commons. Were that to become the case, a manipulative government would very quickly learn that the way to circumvent a fair-minded Speaker would be simply to send everything down to committee.

• (1520)

There are three points, Mr. Speaker. First, I submit that the chairman last evening had no authority for doing what he did in deeming the resolution by the member for Ontario to be withdrawn. I refer Your Honour to Standing Order 64 which explicitly points out that once you have a motion the following applies:

> A member who has made a motion may withdraw the same only by the unanimous consent of the House.

Nowhere in the authorities is there a provision for the chairman without the unanimous consent of the committee, and certainly without the initiative of the member who moved the resolution in the first place, to exercise the kind of initiative that the chairman did last night in deeming the motion withdrawn.

Beauchesne's fifth edition, on page 156, citation 443 reinforces this point. It states:

> (1) The Member who has proposed a motion may withdraw it only with the unanimous consent of the House.
>
> (2) An amendment may be withdrawn with the unanimous consent of the House, but neither a motion nor an amendment can be withdrawn in the absence of the Member who moved it.

I have submitted that the chairman had no authority within the rules or the precedents to do what he did in deeming the motion withdrawn last night.

I come now to the second quotation that I read into the record a moment ago wherein the chairman said, and I quote one more time: "I am told by the clerk there are no points of order, no debate on it any further", et cetera.

If you examine the rest of the transcript, Sir, you will find that the chairman provided for his ruling to be sustained and then proceeded immediately to adjourn the committee without allowing any points of order or any opportunity for debate.

My second submission is that the chairman had no authority to disallow points of order. The record of the committee will clearly show that a number of members made a number of attempts to raise points of order and never got beyond shouting: "Point of order, Mr. Chairman". At no time was anything said that would allow the chairman to find that there was no point of order. He heard nothing beyond the term: "Point of order, Mr. Chairman" and proceeded, as I have submitted, to inform the committee that there would be no points of order.

I submit he had no authority for doing so. My authority is in Beauchesne's fifth edition at page 78. Citation 235 states in part:

> Any Member is entitled, even bound, to bring to the Speaker's immediate notice any instance of what he considers a breach of order. He may interrupt and lay the point in question concisely before the Speaker. He should do so as soon as he perceives an irregularity in the proceedings which are engaging the attention of the House.

In that citation alone is ample evidence that the gentleman from Mississauga South, the chairman of the Standing Committee on Finance, was acting without any

basis of parliamentary authority or precedent to do what he did in disallowing points of order.

First, I have submitted that the chairman last evening had no authority to deem withdrawal of the resolution that was before the committee.

Second, I have submitted that the chairman last evening had no authority whatsoever to disallow points of order.

I come now, quickly, to my third submission, namely, that the chairman of the Standing Committee on Finance last evening had no authority whatsoever to disallow debate on what was clearly a debatable motion.

In the interest of time, I shall not read the entire motion, but I shall just give you the gist of what it says, Mr. Speaker. The draft order given to the committee as a substitute for the one that he had deemed to have withdrawn provided for the business of the committee, what it would do on each of several successive days, when the questions would be put, and when the report to the House would be made.

That has all the elements of a debatable motion, whether you characterize it as a time allocation motion or a routine motion to deal with the future business of the committee. That is another argument altogether as to what was the real substance of the motion. The fact is that however you characterize it, whether as a time allocation motion, as a motion to deal with routine future business of the committee, or as a motion to make certain determinations about the substance of the legislation which had been referred to that committee, in any of those categories into which the motion clearly has to fall, I submit that it is clear by every rule of Parliament—and the citations are so many that there is hardly need to make reference—that it is a debatable motion.

I will give you, Sir, one citation, which is citation 67 of the fifth edition of Beauchesne's which provides that the chairman has no authority to disallow debate on what is clearly a debatable motion.

It would be easy to get carried away on this particular issue, but that is not my point at this particular time. I just happen to believe it is time to flag what is going on in that particular committee.

I have given you, Sir, three clear instances where the chairman was clearly outside his authority. I submit that those instances are such serious breaches of my privileges as a member of this House and the privileges of other members of this House they cannot go unnoticed by the Speaker.

I accept the normal convention that a committee is the master of its rules, but I repeat in conclusion that mastery must never include the licence for a committee to do what in conscience the Parliament itself would never do. That clearly is what happened in at least three separate instances last evening.

Mr. Speaker, if you find I have established a prima facie case, I would be prepared to move the appropriate motion.

Mr. Speaker: I thank the hon. member. On the same point of order?

Mr. Gauthier: Yes.

Mr. Speaker: Again, I have always followed a policy of not indicating until a member stands whether I have or have not a point of order. The reason for that is clear.

First, what comes to me is between myself and the member bringing it to my attention. Second, a member always has the right to withdraw and may, for whatever reason, not wish it to be known that he has put an application and then withdrawn it.

I wonder if hon. members would help the Chair by standing to indicate if they wish me to proceed with their questions of privilege. I will come back to the hon. member for Ottawa—Vanier in just a moment.

• (1530)

Mr. Harvey (Edmonton East): Mr. Speaker, there seems to be some confusion as to what it is you are asking at this point.

Mr. Speaker: Hon. members have just heard a succinct argument put forward by the hon. member for Burin—St. George's on a question of privilege arising out of proceedings in committee.

I have a number of questions of privilege here. In order to maintain the confidence with which each of you bring these matters to my attention, and of course I am not indicting whom I have received them from, but as a consequence I am asking those who wish me to pursue their questions of privilege to stand.

Mr. Harvey (Edmonton East): On this question, or on all questions of privilege?

Mr. Speaker: No, on this question of privilege. The reason is to try to put some order into the presentation of argument. I hope that helps hon. members.

The hon. member for Thunder Bay—Atikokan on a point of order.

Mr. Angus: Mr. Speaker, in order to assist the Chair, I am advised that some of my colleagues who have filed notices with you are not in the Chamber at the moment. They are outside the area. I wanted to indicate that your list may not be totally complete.

Mr. Speaker: I know hon. members would want to assist the Chair in dealing with this in the most expeditious way. I understand the hon. member for Ottawa—Vanier wants to rise and to argue disposition. I am going to proceed seriatim with the applications which I have in front of me on the issue in which argument has commenced. As a consequence, I turn next, and this is in chronological order, to the hon. member for Yorkton—Melville.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I wish to add a few words to what has already been said by the spokesperson for the Liberal Party.

If you go through the Standing Orders of the House of Commons, or if you go through Beauchesne's, you will not find the appropriate precedents for what happened in the finance committee last night. We know that the chairman of the finance committee deemed that something occur. He deemed that a certain motion proposed by the member for Ontario be withdrawn and then made a ruling saying that another motion take the place of the motion that was withdrawn.

If you look at what happened, Mr. Speaker, you will find that this is very inappropriate in terms of the way this House has worked over the years. You, as the custodian of propriety and order in the House of Commons, should look at the precedents and at the proceedings of the House of Commons and at the work of a committee of the House of Commons. I do not think you will find that this is an appropriate way for a chairman to act.

At about 11.35 or 11.36 p.m. last night, the chairman did not put a new motion to the finance committee. Instead of putting a new motion, he made a ruling. What he said was that there could be no debate and no discussion of his ruling, and that there could be no point of order or point of privilege raised concerning his ruling.

In other words, the ruling could not be questioned at all. He said the only thing that could be done at this particular stage was to challenge the Chair. I have the minutes of that particular portion of the meeting here with me. At that time, the Chair was challenged. The chairman, the member for Mississauga South stated: "I am told by the clerk that there are no points of order, that there is no debate any further. This is the ruling of the Chair. If you would like to challenge the Chair, you may challenge the Chair". Then Mr. Harvey said: "I am not out of order and you know it". I take it he was trying to get the floor at that time. The chairman said: "It is the ruling of the Chair". Mr. Harvey said: "The Chair cannot rule that the moon is made out of green cheese and make it so". The chairman said: "Does somebody want to challenge the ruling of the Chair?" Mr. Young is quoted as saying: "Mr. Chairman, we challenge the ruling of the Chair and reserve the right to challenge it in front of the Speaker". The chairman said: "It has been moved by Mr. Young that the ruling of the chair is now being challenged. Is that challenge sustained? Are all those in favour of sustaining the Chair?" At that point the majority of people on that committee agreed to sustain the Chair.

I ask you, Mr. Speaker, to briefly look at the practices and the precedents in the House of Commons and you will find that what happened last night is very rare indeed.

The bizarre incident that occurred was further compounded today in the House of Commons by the government House Leader. During Question Period I asked him to confirm that the precedent that they used from last night was the ruling of the then chairman of the justice committee, Claude-André Lachance back in June, 1984 when that committee was discussing the CSIS bill.

At that time, the then chairman of the justice committee, Claude-André Lachance used a similar method, but not the same method. If you check the minutes of that justice committee, Mr. Speaker, you will find that those meetings went on for a considerable period of time. The chairman did say in his remarks that the spokespeople for the opposition parties were consulted about the proper way in which to proceed. The opposition was consulted about the ruling the chairman was about to make at that particular time. If my memory is correct, and I did not have a chance to look this up in the last few minutes, you will also find that the steering committee of

the justice committee at that time was consulted about the propriety of the ruling that was to be made by Mr. Claude-André Lachance.

You should be aware that none of this happened in the finance committee, Mr. Speaker. We were never consulted either formally or informally about the ruling which the chairman was going to make.

The chairman cannot argue that this was a spontaneous ruling. He walked back into the finance committee at around 4.20 or 4.30 yesterday afternoon and said to us, in a pretty direct way, that a number of years ago Speaker Jeanne Sauvé had made a ruling pertaining to the ending of the bell ringing crisis here in the House of Commons and that he figured he had the power as the chairman of the finance committee to make a similar ruling. However, he did not elaborate as to what that would be. I questioned him, as did other members, as to what he was talking about. He obviously had some papers in his pocket. He would not share his information with the opposition.

I remind you, Mr. Speaker, that in 1984 Mr. Lachance did share the information with the opposition. He consulted the spokespeople in the opposition parties, they had a discussion about it and because there was no agreement as to the procedure, Mr. Lachance decided to go ahead anyway and deem that the committee be adjourned.

None of this happened last night, and I can assure you that none of it happened officially and formally. That is a known fact. I can also assure you that there were no informal discussions that I am aware of between the chairman of the finance committee and any member of the New Democratic Party. I do not know what happened between the chairman and the Liberal Party, they can speak for themselves.

This was compounded in the House of Commons today when the House Leader for the government said: "We followed the exact parallel of what happened on June 6, 1984". Those are his words. That is wrong on at least two counts. In 1984, there was some consultation between the then chairman of the justice committee and members of opposition parties. That did not occur in 1990 in the finance committee in terms of the procedure that the chairman used last night as the members across the way know. They will not say that publicly, but we were not consulted, we were not informed and we were not asked about this particular procedure, so the exact parallel was not followed on that count.

• (1540)

In conclusion, in 1984 when the then chairman made his ruling, he offered to resign as the chairman of the justice committee because he thought it would taint the work of the committee on Bill C-9. That was on June 6. For your information, Mr. Speaker, two days later on June 8, Claude-André Lachance did resign.

In Question Period the minister across the way said he was reappointed. He was reappointed on June 26, but only after the unanimous consent of all the members on that justice committee, representing all three political parties.

I maintain that the precedent was not followed. I maintain that the precedent was wrong in 1984, and still wrong in 1990. Even if it was right in 1984, there was a major difference between what happened on June 6, 1984 and what happened yesterday in the finance committee.

I ask you, Mr. Speaker, to rule in favour of these questions of privilege. It affects my privileges as a member of Parliament. We were subject last night to something that was extremely anti-democratic. There was no consultation, and that infringes upon the privileges of all members of Parliament.

We are elected to represent our constituents. We are elected to make their points of view known. We are elected to facilitate debate. We are elected to bring those points of view to Ottawa, to bring witnesses to Ottawa, to represent them in terms of amendments, suggestions, improving or rejecting legislation, which is what we want to do with the GST.

I argue very strongly that the jackboot tactics of the government across the way are wrong in a free and democratic society. I hope, Mr. Speaker, that later this day you will rule that the government and the chairman of the finance committee were wrong in what they did to us, and to Canada in terms of closing off the freedom of speech.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to participate in the question of privilege raised by a number of hon. members regarding the chairman of the finance committee and the highly unusual ruling that he made last night, and the fact that the committee sustained him in that rather unique and very unusual ruling.

Mr. Speaker, I do not have to remind you or any members of the House that the traditions of this House would be breached in many ways if a motion was deemed to be withdrawn without any consent, that a resolution was deemed adopted when debate was adjourned without a motion to that effect and so on.

It is perfectly clear that anyone who has an inkling of understanding of parliamentary procedures and practices would know what the chairman of the finance committee did last night was completely unacceptable. The point is that we want to demonstrate clearly that fact.

Mr. Speaker, I want to draw to your attention and to the House's attention the fact that authority for a committee is derived from a number of sources. The House delegates some authority to each standing and legislative committee, and some of the parameters of that authority are embraced by standing orders. I refer, of course to Standing Order 108(1) and 108(2), which enumerate the powers of standing committees, and additional powers and mandates of certain standing committees.

In summary, these powers include the ability to examine and inquire into all matters referred to them by the House, to report to the House, to sit when they wish and to delegate all or any of their powers, except the power to report directly to the House.

Also, Standing Order 116 states:

> In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable, except the Standing Orders as to the election of a Speaker, seconding of motions, limiting the number of times of speaking and the length of speeches.

I think we would all agree that that does not give much guidance in terms of what is and what is not allowable to occur in a committee. But it does not give *carte blanche* for the committee or the chairman of the committee to do anything he or she wishes.

It is appropriate that we consider the very first standing order which states:

> 1. In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

It is perfectly clear that, while all of the rules of procedure regarding committees have not been articulated clearly, they are to reflect the practices and the traditions of this House. The assumption that it is not in a Standing Order does not then allow the chairman of the finance committee to do anything he wishes.

For example, in terms of the traditions of this House regarding parliamentary behaviour of a Chair, the Chair acts always in a neutral way. Mr. Speaker, you would have to be awfully creative in your description of the chairman of the finance committee's work and behaviour to suggest that he ever acts in a neutral way, or I should say that he often acts in a neutral way.

The Chair does not move motions and votes only in the case of a tie. That is an obvious practice of this place. Also, the Chair of a committee examining legislation does not speak to the bill or vote on it. From my judgment, the chairman of the finance committee breaks all these rules, and has broken them regularly.

Let us go to the source, the guide that members of Parliament have regarding chairmen of legislative committees. It is very precise. The House publication entitled *Procedural Guide for Chairmen of Legislative Committees*, and of course what we are dealing with in a sense is a legislative committee because we had sent this bill to the committee, states: "The rules for time allocation, motions are given thus. Committees nevertheless may at any time by motion adopt restrictions and limits on the number of times of speaking or questioning permitted to a committee member. They may also appoint by motion a day or time at which all questions necessary to dispose of a matter before them shall be put forthwith without further debate or amendment".

The guide that directs the chairman of the finance committee clearly states that time allocation in committee is by motion, not by a chairperson's ruling.

I have to ask then, if we do not expect the Chairs of our standing committees to follow some guidelines, some parliamentary procedure, practice, and tradition, are we saying then that anything goes? Will the Speaker ever intervene? Would the Chair intervene if the chairman of the finance committee had ruled and had been sustained on a disciplinary action against a member?

You will recall, Mr. Speaker, some weeks ago my colleagues, the member for Esquimalt—Juan de Fuca and the member for Nickel Belt, maintain that they were threatened in committee. The Chair gave some indication that if they did not change the nature of their interventions he would have them forcibly removed from the room. Thank goodness that threat was never carried out and the Chair graciously apologized in this House a few days later, in other words recognizing that that type of decision, that type of action was completely inappropriate.

What if he had ruled that the two members be evicted from the committee? Would we not then feel compelled to intervene? Of course, we would.

Mr. Speaker, you must consider that there is a Standing Order which governs time allocation motions before this House, that had the government been committed to allocating time in that committee, there was a legitimate avenue through which they could have proceeded. There is a Standing Order which governs time allocation motions, and by that standing order the government could have approached the opposition parties on Monday of this week, given notice of time allocation later in that day, debated on Tuesday morning the exact motion which was given as a ruling later on Tuesday night. The point is that there clearly is an accepted procedure for the government to use if it wanted to actually curtail debate in the committee.

It chose not to. They chose to use some aberration of the rules, something that my hon. friend for Yorkton—Melville has quite frankly and quite rightly described as rather a dictatorial and jackboot tactic. I think we all agree that we cannot tolerate that kind of behaviour. The committees are an extension and a reflection of the work done in this House. We assume then that they should, as Standing Order 1 indicates, and as the rules that provide guidelines for chairs of legislative committees indicate, that we expect follow the rules, procedures, practices and traditions of this House.

• (1550)

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise this afternoon, mindful of the difference between a point of order and a point of privilege, and of the proper reticence you would show at any time dealing with matters arising in a committee.

I must at the outset insist that there comes a point when the flagrant and consistent abuse of order in a committee is raised, thereby from being simply a string of questions of order into a larger question of privilege, which is why I submit this matter is properly before you this afternoon.

In addressing the merits of the matter, I would like to start with the very first Standing Order of all our Standing Orders. It is the Standing Order which supplies you, Mr. Speaker, and the Chairs of the various committees with their authority, and it states:

> 1. In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman—

It is clear that both you, Mr. Speaker, and any chairman of a committee, enjoy your procedural authority in those cases not provided for. I would submit that in the actions undertaken by the hon. member for Mississauga South, the Chair of the finance committee, last night he, to a remarkable degree, engaged in actions abundantly provided for elsewhere in the standing orders.

We must start on the clear basis of Standing Order 116 which states:

> 116. In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable—

That is the basis for most of the rules of order in committee.

To examine first the question of the deemed withdrawal of the motion by the hon. member for Ontario: as was already pointed out this afternoon, it is a matter that is provided for in the Standing Orders. It is provided for in Standing Order 64 which states:

> 64. A Member who has made a motion may withdraw the same only by the unanimous consent of the House.

That is the only provision anywhere in the Standing Orders for the withdrawal of a motion once it has been moved. However, as it is there, as it is provided for, it is the procedure that must be followed.

Second, the Chair having deemed this withdrawal last evening went on to say, and I am quoting now from the "blues" of the committee hearing, so there may be some adjustment hereafter: "It is therefore my order as chairman that the resolution produced by the House by Mr. Soetens is deemed withdrawn and that the House proceed and the committee proceed to the following order".

The chairman then went on to make his lengthy and completely detailed time allocation order.

However, there is provision in the Standing Orders for the moving and passing of time allocation orders. It is to be found in Standing Order 67 which states:

> (1) The following motions are debatable:
>
> Every motion:
>
> (p) such other motion—as may be required for the observance of the proprieties of the House—the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment.

Such motions must be made in order to create a time allocation situation and once made are debatable. That is clear. It is provided for in the Standing Orders. I agree that at least in part this is unclear at this point, but if the Chair last night moved a motion of time allocation himself, he would be out of order right off the top because as I note in Beauchesne's fifth edition:

> 411.(1) Every matter is determined—on a proposition submitted by a Member—

—not by the Chair, not by the Speaker, but by a member, Mr. Speaker. So if in fact what he was doing was proposing a time allocation motion it was out of order on the grounds that he was not capable of proposing it as the Chair of the committee.

If, however, he was making a ruling, he was out of order on that count because according to the Standing Orders he exceeded his authority in attempting by a ruling to construct a time allocation situation. Either way, that was beyond the scope of the Chair's authority.

As well, I note in Standing Order 10 it states: "In deciding a point of order or practice, the Speaker" in this instance the Chair "shall state the Standing Order or other authority applicable to the case".

No such authority was cited in the committee last night—none—despite repeated attempts by some of us to elicit a statement of authority for the extraordinary actions undertaken.

I learned after the committee was adjourned that the entire procedure was being founded upon the instance of June 6, 1984 in the Standing Committee on Justice and Legal Affairs. As has already been pointed out by the member for Yorkton—Melville, there are clear and serious discrepancies between what occurred last night and what occurred on June 6, 1984.

Even setting that aside, I wish to draw to your attention that a bad decision is not a precedent and that one decision is not by itself a determinant of convention or procedure thereafter. I would submit that what we have in the instance of June 6, 1984 is a bad decision, in fact a decision that the Chair of the committee himself recognized as a bad decision, which he feared would taint the further work of that committee, to use his own word, and for which he felt responsibility sufficient to compel him to tender his resignation having made that ruling.

It would be extremely unfortunate if the House, in its consideration of the goods and services tax here or in committee, felt itself in any degree bound by such bad rulings or in any way accorded to those bad ruling any sort of precedential status.

With that, Mr. Speaker, I will end my remarks and wish you the very best of luck in reaching your judgment.

Mr. Speaker: I thank the hon. member and I thank hon. members for being succinct. I might indicate to hon. members, so that it may be of assistance to them, I was very much involved in the committee of 1984, as I was at that time a spokesperson on Solicitor General matters for the Official Opposition. I have a vivid memory of events and of course the record is clear. I do not think that members need to concern themselves as to whether or not I have a clear recollection of exactly what did happen.

In listening to the hon. members who have risen, I have a pretty good idea of the essence of the case. I would like the next member to rise to deal directly with

the question of in what way any member's privileges have been affected, as opposed to the fact that they may have been inconvenienced or they may have been angered or irritated because there is a distinction and I know hon. members realize that.

The hon. member for Yorkton—Melville raised the issue that was in front of the Speaker a little while ago with respect to an incident in committee and the hon. chairman rose in the House to apologize and that was the end of it. I have never said that there would not be, or could not be, an occasion in which something that happened in committee might not very well be a question of privilege. I have always indicated that it has to be pretty severe indeed, and I would ask hon. members to keep that in mind in their remarks. I am getting a very clear picture of the circumstances and the arguments that are being used and, again, I thank hon. members for being precise.

• (1600)

I will hear next the hon. member for Nickel Belt. Again, I am going chronologically.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I will keep in mind the injunction you made.

My question of privilege arises from what took place last evening when the Conservative majority stomped on the rights of the minority in the finance committee and put an end to the discussions on the GST. My question of privilege has nothing to do with my being irritated; I was not inconvenienced at all. My question of privilege arises from something that is set out very, very clearly in Beauchesne's, fifth edition, citation 1. He cites, on the principles of parliamentary law, and I quote:

> The principles that lie at the basis of English parliamentary law, have always been kept steadily in view by the Canadian Parliament; these are: To protect a minority and restrain the improvidence or tyranny of a majority;—

In that committee, I am in a minority. There are two members of the New Democratic Party on that committee, four members from the Liberal Party and eight members from the governing party. The governing party then has a majority.

We have rules of the House. We have the Standing Orders of the House which apply to committees and apply to the House. We have Beauchesne's which sets out in its citations a set of precedents of prior law.

As a minority, I am bound by those laws. We are all bound by those laws, and anything that we were doing in that committee in opposing the GST was within that law. The government members, the majority, may not have liked the fact that we were waging a filibuster. They may not have liked that. But, the fact was that we were not doing anything that was outside the parameters of the law. The law of the Standing Orders of the committee provided for that. We did not violate a law. We were simply conducting ourselves within the law. Standing Order 1 states, and I quote:

> In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

I am not concerned about what in fact took place in 1984, because it does not fall within what I would consider precedents. Last night, the majority adopted the position that might was right. I think they ought to take a line from *Camelot* that it ought not to be might is right, but might for right. In fact, the majority in that committee ought to be standing up for respect of the rules, because they indeed protected the minority.

It was not as if the government members on the committee were bereft of a solution to their problem. They had a solution to the problem of a filibuster in the committee. They had not exhausted every opportunity to bring that filibuster to an end. They could very well have come to the House for an order, which is provided for in the rules. They had a responsibility to respect the rules. They have a responsibility to obey the rules, just as the minority have a responsibility to obey the rules. Every time the rule is violated for minorities, down the line the rule is going to be violated for them as well.

We have a legitimate right to have our rights protected because we have always been entrusted with the highest form of legitimacy: the confidence of the citizens of this country. Our democracy is based on the rule of law. If that rule of law is removed in the committees, then what we will have is the rule of the jungle. That invites the minority to resort to doing things outside the law, outside the Standing Orders. We would never do that, so I wonder why it is that the majority of the Conservative members sought to resort to the jungle, to the rule of might, to squash the minority that were filibustering

against the GST when there were legitimate alternatives at their disposal.

Another point is that within that same meeting yesterday the member for Longueuil, during the course of the proceedings in the finance committee, said that the police should be called in to end the interventions by opposition members. This is a clear indication—

Mr. Speaker: He may have said it. I do not know that that helps me very much. There may have been many things said in the committee. There is no suggestion in what I have heard so far that if that were said it amounted to a threat that the police should be called in. If that is the point of the hon. member's reference to it, that might or might not be a serious matter. I do not want it pursued if it is just a comment in argument or even in jest.

Mr. Rodriguez: It is a comment *en passant*. It was made to indicate the mentality which led to the frustration of the majority within the committee. That frustration led them to seek ways and means to bring discussions in the committee to an end, in my view in an unparliamentary fashion.

In conclusion, I want to say there are fundamental principles that are paramount to maintain the integrity and legitimacy of this place. These are that the tyranny of the majority cannot silence the voice of elected representatives of the citizens of this country. Members must be guaranteed that their privileges will be protected and not be violated arbitrarily so they can carry out the duties for which they were duly elected.

I want to emphasize that in fact it was not as if government members on the committee were bereft of a solution to their problem. They had a legal solution to the problem. I think that is key and crucial. It was not as if this band of six opposition members had taken away from them all other options with which they could legally bring the filibuster to an end. They chose not to end it. That is a question that bothers me. It does not frustrate me, as you said, if I am irritated. It did not irritate me. It did not inconvenience me. However it saddens me that what we have had in my view is the trampling of democracy.

The Standing Orders do not provide for the chairman of a committee to adjourn a meeting arbitrarily. An adjournment motion must be put properly before the committee. A committee chairman cannot take up his gavel and say: "I adjourn the meeting." That is not provided under the rules. These were all exhibited over the last two or three weeks within that committee.

I suggest, Mr. Speaker, should you find that there is a prima facie case of privilege, I would ask that the matter be referred to the Standing Committee on Elections and Privileges.

Mr. Speaker: The hon. member for Burnaby—Kingsway seeks the floor, and I will certainly recognize him. He too was a member of the 1984 committee. I know that he will not mind me reminding him that both of us were there and both of us remember the events very clearly. Perhaps neither of us need to be reminded of them in too much detail this afternoon.

I would ask the member who is an experienced member and an able lawyer to deal with any points that have not yet been made or to illustrate very briefly what points he indicates to me are perhaps the most pertinent in the argument that we have had.

There is no need to go through all the facts again. I think I have those. I assure hon. members I will look very carefully at the proceedings.

• (1610)

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I will certainly attempt to be brief and not to cover ground that has already been covered.

I do believe that we are dealing here with a very important and very fundamental question about the rights and privileges of all members of this House. I appreciate your injunction that it is only in exceptional circumstances that the Chair will intervene with respect to proceedings that have taken place in committee. I appreciate the statement of the Chair that in those rare and exceptional or, to use the words of the Chair, severe circumstances there must be some recourse for members of this House.

I would submit, with respect, that this is one of those rare circumstances in which we as members of this House must appeal to the Chair to review with care what has taken place and to find that there has been a prima facie breach or privilege in order that the ramifications of the chairman's dictatorial actions in the committee last night be considered by the Standing Committee on Privileges and Elections.

I want to make two or three points on this matter. Your Honour has noted that we were both present in the Standing Committee on Justice and Legal Affairs on June 6, 1984. At that time the chairman brought the proceedings to a halt by making a ruling. That ruling was upheld by the committee on a divided vote with the vigorous opposition of the Conservative Party as well as the New Democratic Party. Following that the chairman resigned.

I want to emphasize the point made at the conclusion of the remarks of the hon. member for Nickel Belt. If the hon. member for Mississauga South is allowed to get away with this kind of dictatorial ruling, in effect it subverts, it utterly subverts, not only the Standing Orders of this House but the long-standing traditions and precedents of this House. There are two particular arguments on that I wish to make.

If, in the course of proceedings in committee, members on the government side believe that there is an abuse of the committee taking place, if members on the government side believe that there is a filibuster under way which has to be stopped—and we in this party readily concede that we were attempting to do what we could to lead the opposition to the goods services tax in the finance committee and to use every legal means of doing so; that is what we were doing in accordance with the laws and precedents of this House—surely it cannot be acceptable for the chairman of that committee to state arbitrarily as he did, and I quote: "I terminated it. I just went ahead and did it. The majority has the right to run the country".

If in fact the chairman of that standing committee or of any standing committee in this House is given those sweeping powers to terminate debate, legal debate, after 31 hours today, what will it be tomorrow if this precedent is allowed to stand? Will it be 20 hours in the committee on communications? Will it be 10 hours in the justice committee? Will it be 2 hours in a legislative committee? There is no limit.

If Your Honour allows this very, very dangerous ruling to stand, what is to limit a future committee chairperson from arbitrarily shutting off debate, not at 31 hours but at any earlier period of time, subject to no debate, because as was very clear last night the chairman said: "There is no debate". He was right on that ruling. "There is no debate. You can appeal my ruling to the committee and that appeal is also subject to no debate".

If Your Honour does not intervene in these circumstances to protect the privileges of all members of this House, a profoundly dangerous and destructive precedent will have been established that surely runs counter not only to the Standing Orders but to the long-standing traditions of this House.

As my colleagues have indicated, there was another mechanism. I want to quote from a very distinguished member of this House who said in the Standing Committee on Justice and Legal Affairs on June 8 1984: "Members will understand and appreciate that there were certain provisions and there are certain provisions under the rules whereby if the government deemed it appropriate to establish some kind of allocation or regime of allocation or limitation of the debate it was open to the minister to go to the House to obtain some authority in that regard which would, if it were obtained, of course, be binding on the procedures in this committee".

The very distinguished member of the committee who spoke those words was the hon. member for Vancouver South. Indeed that was the appropriate procedure to adopt. Standing Order 78(3) of this House states that a minister of the Crown who has made an attempt to negotiate with representatives of the other parties but has been unsuccessful in doing so can in fact propose a motion.

It is very important that when that motion is tabled in the House—and it can apply to committees under 78(3); it states under consideration that either in the House or in any committee—there is then a debate, a two-hour debate on the wisdom of shutting off debate, and at the end of that process there is a vote.

Both those fundamental elements should be in place before this Draconian mechanism of closure is invoked arbitrarily by the chairman or denied. If this precedent is allowed to stand, there is no debate; not two hours, not one hour, not five minutes. There is no debate and effectively there is no vote of the House on this very important question.

The final point I would make is that it has always been the case that the chair has recognized that we must not allow to be done indirectly what cannot be done directly. That is precisely what the ruling of the hon. member for Mississauga South would do.

Closure cannot be invoked in committee by a simple hammer by the chairman of the committee. Closure can be invoked only by using the time allocation proceedings as established in the Standing Orders.

Under citation 457 of Beauchesne's I would note that a motion for the previous question is not admitted in a Committee or the Whole or in any committee of the House. Closure cannot be invoked. A motion for the previous question cannot be invoked. What the chairman of this committee has done, subject to an appeal to the majority, is trampled not just on the rights of members of this House in the minority but also denies to those Canadians who want to voice their anger and outrage at the GST a means of having that done through opposition members of the House.

I appeal to the Chair to recognize the profoundly dangerous nature of what has occurred in this committee. I appeal to the Chair to recognize that indeed a prima facie case has been established. There may have been a very dangerous precedent which resulted in the resignation of the chairman of the Standing Committee on Justice and Legal Affairs, but the time has come in this House for the Standing Committee on Privileges and Elections to look with care and in depth at the implications of this trampling of democracy.

I would certainly be prepared, should Your Honour find there to be a prima facie case, to move the necessary motion for referral to that very important committee.

Mr. Speaker: I will hear briefly the hon. member for Essex—Windsor. I want to apologize to the hon. member because I got him out of chronology. It was an error on my part. It was not intentional. I will hear the hon. member briefly.

I want to advise hon. members that I have the point. I will listen to the other side in a moment so I do want it to be brief.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I speak as a member of the finance committee and as someone who feels as a member of Parliament and a member of that finance committee that my privileges have been deeply threatened by what has taken place within the finance committee over the past two or three days.

• (1620)

I wish to deal with several additional points beside those which have been brought to your attention. I think the case has been made clearly by some of my colleagues as to how the privileges which they enjoy as members of Parliament, and in the case of my colleague from Yorkton—Melville as a member of the finance committee, have been affected by this set of decisions and actions within the committee itself. I want to deal with several other related but not directly similar points within the committee.

First, there has been brief reference made to this point by my colleague from Nickel Belt. He indicated that certain threats were in fact put before the committee by a member of the committee during yesterday's debate. Since these threats were put while I was making certain of my comments, I can certainly attest to the Speaker that I took them as threats directed toward myself.

Mr. Speaker: With a succinct and well argued case, the hon. member is now saying that apart from anything else that happened in the committee he felt that he was threatened. If he were threatened by a single comment of some irritated member, I am not too sympathetic. If, on the other hand, members were seriously considering calling in the police, that is another matter at all. I ask the hon. member to remember that I have asked him to be brief and to stick to points that help me to decide the essential point in front of me. If we are going to get off on to another point, I may have to put that point aside completely and hear it in another argument.

Mr. Langdon: I am very much in the Speaker's hands whether this is a point which should be raised in the context of this discussion of what happened in the committee.

Mr. Speaker: The hon. member knows that I would not in any way limit his right to bring a matter to the Chair, but I have heard a number of members already this afternoon and that has not been the point that has been put before me.

First I would say to the hon. member that if he wants to raise it at another time, I will accept that I have notice of it. Unless there is a very strong indication of the part of all hon. members that this now becomes one of the major points I have to consider, I think it should be dealt with separately.

I am sure the hon. member might want to discuss the matter with other members, but I have a serious enough matter to deal with without going off on what somebody might or might not have meant because they made an irritable comment. I am in the hon. member's hands. If he wants to bring this matter back in a separate application, of course I will hear him. I would prefer that it not get mixed up with this one.

Mr. Langdon: I thank the Speaker for that sense of direction. That was certainly my sense as well. Because there was a reference to it earlier and because I was the person who was the subject of the particular issue, I felt that if the Speaker wished to hear detail on it I was prepared to provide it. I in fact would prefer to raise it separately.

However, with respect to the point which is more directly of concern in front of us this afternoon, I want to refer particularly to the nature of the declaration which was put in front of the committee by the Chair of that committee. I will quote from it. This was an order from the chairman of the committee with reference as to how we were to deal with the goods and services tax. Within that order is the following:

> —in putting any amendment to a clause on every clause for which such amendments are proposed, the mover will have two minutes to explain his amendment, and (b) there will be one minute allowed to each of the other parties represented in the committee to reply or debate the amendment, and (c) the Finance Department representative will have one minute to respond. This will permit five minutes of debate on each amendment.

Perhaps I could explain, Mr. Speaker, why this seems to me to be an important point of privilege in the context of—

Mr. Speaker: If the member would let me intervene, first I know about that and, second, I will be looking at all the material. But in fairness to other members who wish to address the Chair, I must start to insist that the points be very brief. I have listened very carefully and gone on much longer than usual in an application from a committee.

I do not think the hon. member is assisting me very much in reading out the order. The order may or may not be a good order or a bad order. What I am looking at here very precisely, because I have been asked to do it by those who have led the argument, is a process and if that process amounts to a breach of privilege. That is the question I have to decide.

Unless the hon. member can give me very much more, I would ask that he defer and allow me perhaps to hear one or more members very briefly. I think I am bound to turn now to the other side of the Chamber.

Mr. Langdon: Mr. Speaker, if I could at least have the chance to connect my point to the issue of privilege, I quote from citation 16 of Beauchesne's of which I am sure the Speaker is aware:

> The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its members;

My point with respect to the form of this particular order is that it prevents people, including myself as a member of Parliament, from operating on that committee as a member. Instead, I am required to accept an order which forces each party to have just one minute's chance to speak or react to a particular amendment. It seems to me that that is a gross violation of my privileges as an individual member of Parliament.

Mr. Speaker: I want to thank the hon. member for co-operating and being brief. The hon. member for Prince Albert—Churchill may have something to add. I will recognize the hon. member for Ottawa—Vanier.

Mr. Gauthier: Thank you, I—

Mr. Speaker: I am very sorry. I have overlooked an hon. member and I will come to that. The hon. member for Okanagan—Shuswap, and again I do ask him to be very brief.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I also would like to rise on this point of privilege dealing with the inexcusable actions of the chairman of the House finance committee as a result of last evening's events. We have already heard very eloquent arguments in the House regarding the fact that a motion before the House or committee can in fact not be withdrawn without unanimous consent.

As well, the Standing Orders essentially do not provide for the kind of arbitrary and indiscriminate unilateral actions that the chairman of the committee had presented last evening.

• (1630)

I would like to present argument and construct argument as to why the actions of the chair of the finance committee in fact frustrated my abilities as the member

of Parliament for Okanagan—Shuswap to adequately represent the views of my constituents.

Mr. Speaker: May I ask the hon. member if it is going to add anything to what has already been put. The hon. member has some knowledge of procedure and knows that there comes a point when sitting in a judicial capacity there is no need to repeat matters. I know the hon. member would want me to ask him to make the usual remarks about putting the usual motion, to be in order, but I think that at this point the hon. member could say he associates himself with the very able arguments that have been given, and not take up further time.

There is a question of fair play in these matters and I must turn to some other members.

Mr. MacWilliam: Mr. Speaker, I fully understand the need for brevity. I did want to present some evidence that is pertinent to the case, demonstrating the fact that my ability to represent my particular constituents in this matter was in fact short circuited, if you like.

I want to present to you evidence of a letter that I had written the Chair of the finance committee sometime back in February, requesting that as a result of submissions that were made to me as representative of the constituency of Okanagan—Shuswap, I appear as a witness before the finance committee on behalf of a number of organizations that had submitted to me written briefs outlining their concerns about the goods and services tax. I therefore wrote the chairman of the finance committee to appeal his consideration that I appear before the committee to provide such evidence.

In that regard I had a letter of return from the Chair of the finance committee thanking me for my letter and essentially going on record as saying that if I as the member of Parliament for Okanagan—Shuswap would provide the committee with a written summary of concerns, he as Chair of the committee would do what he could to ensure that the submittees of the concerns that were submitted to me would hopefully be allowed an opportunity to appear as witnesses.

I in fact carried out those requirements by providing the committee with a summary of those submissions. Although I have essentially honoured the request of the chairman of the finance committee, his actions as of last night essentially denied the final opportunity to allow presenters from my constituency to appear as witnesses.

Mr. Speaker: I must advise the hon. member that this aspect of his complaint has been dealt with many times in this House and I have to say that that is not something on which the Chair can intervene.

There may have been other constituents that, as a consequence of this order or as a consequence of some order in the distant future, it is decided by the committee that they do not appear. But that is not a matter in which the Chair can intervene.

The hon. member for Ottawa—Vanier. I would ask him to wrap up his remarks very quickly. I know he will co-operate.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have not even started yet, but I am going to wrap them up quickly. You can be sure of that.

I do hope we do not create a precedent here that just because one gets a letter in to the Speaker one can speak on the question of privilege before the House, which was the original question put by the member for Burin—St. George's. Just because one sends a letter to the Speaker does not mean that he gets into the debate on that question ahead of other people who may have a valid point of privilege or discussion point to make in support of his point. I hope there is no precedent because if there are, Mr. Speaker, I think we should come back and have a debate on how we are going to proceed.

Mr. Speaker: I must make a comment. Until I have heard the member who applies on privilege, I cannot decide that. However, I am much heartened by the hon. member's comment that it ought not be a precedent.

Mr. Gauthier: I come back, Mr. Speaker, to the original question we started debating about an hour and some minutes ago put by the member for Burin—St. George's, at which time he made three very good arguments. I thought the wisdom of his arguments very convincing. He made the point that no authority was given to the chairperson to deem the motion before the committee withdrawn.

Second, he said that there was no authority in the chairman's role to disallow points of order at that time. Third, he said that the chairperson had no authority to disallow debate on those points.

Now I will address three points. The first point is the chairperson's role. In my view he exceeded his authority, therefore impeding the privilege of the members.

The second point is procedure in committee where in my view, and in the view of many of us, the committee rules were not followed since they are *mutatis mutandis* applied by House of Commons rules in committee except for what are the exceptions in our Standing Orders and as Beauchesne's suggests in citation 569 regarding rules of the House.

Finally, I want to argue about the use of closure and time allocation. If the rules of the House apply in committee, surely only a minister or his representative, the parliamentary secretary, could use that procedure to close off debate. A minister standing in his place in the House must be the only person in the House who can move such a motion. If that applies in committee then we have to make sure that we understand the procedure.

I will speak first to the point that in our view the chairperson exceeded his authority last night. The rules of the House apply, as I said. In general we all agree that the chairperson, be it the Speaker or the chairperson of a committee, is mute. That is, he or she does not participate in debate, and if he or she cannot speak in debate in the House or in committee I ask how a member chairing a committee could introduce a time allocation motion, or a closure motion, or any motion for that matter.

As a matter of fact until I read the transcript of last night I was somewhat taken aback by that procedure. I read the comments made in committee following a comment by the member for Sudbury. She said: "I am under the impression that the reason you bring in closure is because you want to stifle debate." The chairman of the committee said: "No, it is time allocation."

So the chairperson himself validates my point by saying he is bringing in a time allocation motion. I suspect that in doing so he was trying to act for other interests, not the interests of the committee. He was trying to stifle debate by introducing something which in our view he had no business and no authority to introduce.

If one compares the motion put earlier that day by a member of the committee, it possibly indicated to the committee that there was a disposition of the government to put in a time allocation motion. The motion put by the member for Ontario was indeed copied quite closely by the chairman at that time and put to the committee, with a small exception that no witnesses be heard.

Mr. Speaker, I put it to you sincerely that chairpersons have no authority to put a time allocation or closure motion. Having said that I will pass on to my second point.

It is our point of view that the time allocation motion put by the chairperson, the member for Mississauga South, was out of order. Not only did he not entertain points of order, and rule them out of order, but he also in our opinion had no authority to put that motion.

The procedure utilized yesterday for the chairperson to entertain motions was argued intelligently and convincingly by previous members. I thought that the arguments put to you were convincing.

• (1640)

I refer you to Standing Order 117 and I will read it:

> The Chairman of a standing, special or legislative committee shall maintain order in the committee, deciding all questions of order subject to an appeal to the committee; but disorder in a committee can only be censured by the House, on receiving a report thereof.

It is our opinion that the chairperson extended his authority last night, and went beyond what is normally the authority of the chair. If the principle is that any means justifies any end, then of course we are into difficult problems. And if anybody understands what happened in that committee, it is those who were there for the 30-odd-hours, debating points of order and trying to get reasonable arguments before the committee.

I will not prolong my points on the procedures before the committee, because without having to quote you, Mr. Speaker, which I know you would not appreciate, I think you made the point in 1984 that only the government can propose to a committee a time allocation or a closure motion. Having said that, Mr. Speaker, I would ask you to consider the arguments which have been made this afternoon, in a serious manner as usual, and report as soon as possible.

Mr. Speaker: I thank the hon. member. The hon. member for Edmonton Northwest.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, having been a participant in the committee during the period in question and even longer, I would submit that in fact there is no question of privilege involved here.

There may be a point of order about procedure because, as has been mentioned by others earlier, there is no doubt that from time to time the procedure in that particular committee, and I would argue in all committees, does not exactly follow all of the established procedures. However, as has been stated before, the fact is that committees are masters of their own destiny and whether or not anything occurred in that committee to be of such a serious nature that someone's privilege has been violated.

An Hon. Member: He already ruled on that. He said he could.

Mr. Dorin: I realize that. This is the issue. I listened while you made your point.

What occurred last night in the finance committee, as has been noted by others, was based on a somewhat similar situation which occurred in the justice committee, which you, Mr. Speaker, have acknowledged you are familiar with, having been a member of the committee at that time.

The chairman of the finance committee may not be quite so eloquent as the chairman of the justice committee, Mr. Lachance, was at that time. The current finance committee chairman, the hon. member for Mississauga South, is not noted for eloquence, but he did in fact invoke a very similar procedure.

Mr. Milliken: And he had the honour to resign.

Mr. Dorin: I will deal with that shortly.

I would just like to point out that in events leading up to this particular measure, we had a number of occasions where procedures of the committee were held up for a variety of reasons. For example, the proceeding of the committee governing the holding and conduct of meetings, as adopted by the committee on April 19, 1989, simply states that the chairman be authorized to hold meetings to receive and authorize the printing of evidence, when a quorum is not present. It is the chairman alone, which I acknowledge is somewhat different from many other committees of this House.

That procedure was followed in fact prior to the bill being referred to the committee when on Wednesday, January 31, finance committee MPs agreed in an *in camera* meeting that should the bill be referred, the chairman would be authorized to call meetings for February 12 and February 13.

When that bill was referred to the committee on Wednesday, February 7, those meetings were called. Following that, the first public meeting was called on Wednesday, February 19, at which time two members, who are not usual members of the committee, appeared and called into question the authority of the committee to conduct those meetings with the witnesses that had been organized for that day.

At that time the hon. member for Nickel Belt stated that the committee could not proceed at that time, and that the only way it could proceed was by a motion of the steering committee, laying out the procedures and the witnesses. All of these things are laid out and are passed by recorded motion. There is then a report to the full committee and the full committee determines the action. That is the proper procedure.

Following that, there was a considerable amount of debate and meetings, which I will not go through, and another filibuster which resulted in a procedural motion being adopted that provided for televised hearings of witnesses and also provided for two weeks of witnesses.

Mr. Langdon: Not true. Two weeks was not the motion.

Mr. Dorin: At the end of that time and during that final week—

Mr. Langdon: Be accurate.

Mr. Dorin: The committee members asked that any other witnesses to be heard be called and advised any members who had additional witnesses that they wanted heard to submit those names to the staff of the committee so it could be organized.

We were in the final time of completing hearing of the witnesses. We had circulated during the previous week a motion for procedure that suggested an additional 10 days to be given for consideration of the bill. We circulated the motion the previous week. We suggested

we would like acknowledgement by noon on Monday this past week, or some form of response as to how we might proceed, having been told that we must have some motion officially on the floor. Because we had no response, that motion to provide for an additional 10 days was put forward by the member for Ontario. That involved 30 hours of debate, at which time the chairman invoked the procedure, as you well know.

The question at the time was whether members of the committee would be allowed to be involved and put amendments which they might have. As has been aptly noted, there is a provision whereby the government could invoke Standing Order 78(3), where that procedure is provided for. That procedure in effect takes authority away from the committee.

Mr. Rodriguez: It is legal.

Mr. Dorin: Therefore, I would argue that what is involved here is that the committee was endeavouring to retain control over its own procedure and in doing so, while there may be questions of order or procedure, there has not been any—

Mr. Speaker: Just a minute. I would ask hon. members to my left to remember that a great deal of patience has been exercised in allowing those arguments to be put. I will hear the hon. member. I do not think he needs to go on too much longer, but I will hear him.

Mr. Dorin: Mr. Speaker, I have completed my remarks.

Mr. Speaker: I know the hon. member for Kingston and the Islands usually makes a very good contribution, but I think I have heard enough. I will take this matter away. I will consider it very carefully and report back to the House as soon as possible.

The hon. member for Kamloops has a question of privilege. He may have had a communication from his right hon. friend who has had to leave. Under the circumstances, especially given the comments of the hon. member for Kamloops, the right hon. gentleman should be present, and I would be prepared to move this over to another time when he can be here. He did stay until just a few minutes ago. I would ask the hon. member if he would co-operate in that.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, under normal circumstances, I would be more than pleased to but I have commitments in the next couple of days that will make it difficult. I think it is appropriate that this is raised at the earliest opportunity.

Before I raise the point, there is another point of privilege that ought to take precedence over mine.

Mr. Speaker: Once an application is made and it is in order, I think the Speaker has some discretion, especially when I have some indication of what it is about, as to when I will hear it. I would prefer that the right hon. gentleman was here in the Chamber. This is a practice that I have established for both sides of the House. Perhaps, the hon. member for Kamloops could consider his position.

• (1650)

There is another point of privilege and I am looking to the floor. The hon. member for Saanich—Gulf Islands.

BILL C-56

Ms. Lynn Hunter (Saanich—Gulf Islands): Thank you for your patience, Mr. Speaker, in hearing all the points of privilege today. I know that this is a long and trying day for you. We all have had long and trying days this past week. I rise on this point of privilege arising from debate—

Mr. Speaker: Perhaps the hon. member and others will be able to shorten this long and trying day. Will the hon. member please continue.

Ms. Hunter: This point of privilege arises from the debate in the House yesterday on Bill C-56, the amendment to the Small Business Loans Act. I bring this important question to your attention at this earliest opportunity as is required by the rules of the House.

My question of privilege concerns a ruling by the Acting Speaker which I believe infringed on my ability as a member of Parliament to do the job I was elected to do, that of representing my constituents. The bill being debated was of great concern to the small business community in my riding. The timing of the debate was crucial. As we have seen with the number of points of privilege that you had before you today, the mood in this place is of such a nature that cutting off debate was not the thing to do at the time.

I wanted to speak on this bill. However, I was denied that right as a result of an error by the Chair. At the conclusion of the remarks by the member for Saint-Léonard yesterday the Acting Speaker asked if the House

was ready for the question without calling for further debate. I had risen a number of times previously and although *Hansard* did not indicate it, the Speaker indicated by her body language that she had known that I wished to speak. As you are so capable of doing, Mr. Speaker, one knows when people want to speak.

When I rose at the time to question the ruling of the Acting Speaker, she told the House that she had indeed asked for further debate. I was not convinced that was the case at the time and a review of the televised proceedings bears that out, as does *Hansard*.

I refer you to page 9557 of *Hansard*. At the conclusion of the remarks of the member for Saint-Léonard the Acting Speaker says:

> Is the House ready for the question?

Some hon. members say: "Question".

The Acting Speaker then says:

> The question is as follows: Mr. Hockin, seconded by Mr. Clark (Yellowhead), moved that Bill C-56, an act to amend the Small—

At that point I was on my feet and had been on my feet. I was dressed in a bright red jacket. I am not in any way, I think, unnoticeable in this House, as some of my colleagues may be, particularly the member for Mission—Coquitlam. I think I was quite visible. At that point I interjected and said: "On debate." The Acting Speaker then said:

> I did ask if there was anyone for debate and nobody rose.

At that point I was quite incensed, Mr. Speaker. I said:

> Point of order, Madam Speaker.

I leave you to read the transcript, Mr. Speaker. I believe that my ability as a member of Parliament has been infringed upon. I was elected to represent my constituents. The timing of this debate on the Small Businesses Loans Act was crucial for my constituents. It was concurrent with the filibuster that was occurring in the GST committee and the mood of this House indicated that more debate was needed on this matter. I am aware that you can correct many things, Mr. Speaker, but turning back the clock is not one of them.

I am asking on this point of privilege for some acknowledgement of the fact that my rights as a member have been infringed upon.

Mr. Speaker: Is the hon. member rising on the same point?

Mr. Whittaker: Yes.

Mr. Speaker: Very brief.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I was present at that time. I just point out that at page 9557, in addition to what the hon. member has already told you, part way down the left hand column the Acting Speaker said: "There is a minute left on questions. The hon. member."

I believe there is something left out of the transcript just prior to that. In reviewing the video Your Honour will see that at that stage she did ask: "On debate?" Sitting in this corner, I did see the hon. member rise indicating at that stage that she was on debate. I think that that may assist Your Honour, if he goes back and looks, in reaching a decision.

Mr. Speaker: Ordinarily I would have to say that this does not seem, prima facie, a question of privilege. It is certainly a complaint, and the hon. member has referred to it as an error. There is of course now, under the rules, no appeal from a Speaker's ruling.

I must say to the hon. member that I regret very much that, if she wished to be heard in debate, something happened that made that impossible.

I will consider the matter. I do not think I can remedy the situation but I will, in view of the comments that have been made, consider the matter. I do not think there is any need for me to report back to the House. I know that all hon. members are concerned if someone wished to speak and, for whatever reason, an error or an oversight or something else, that did not happen.

I take the hon. member's complaint seriously, and I will consider it. I thank the hon. member for her brevity.

Could the member for Esquimalt—Juan de Fuca indicate what his point is? Then I will turn to the hon. member for Essex—Windsor.

Mr. Barrett: Mr. Speaker, my point is separate and distinct from any other point that has been raised this afternoon.

Mr. Speaker: The hon. member for Essex—Windsor.

FINANCE COMMITTEE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, as I indicated in my previous discussion of what took place in the committee, I wanted to raise as a question of privilege—and I gave notice this morning with respect to this—the actions of the member for Longueuil with respect to certain calls for the police during the period that the finance committee was meeting.

If I could proceed briefly—

Mr. Speaker: As I say, I have reserved the hon. member's right to make this argument.

I wonder if the hon. member would co-operate with the Chair and let me read that transcript very carefully. There is also a tape which I can look at. As soon as I have a chance to do that, I might indicate to the hon. member for Essex—Windsor at an appropriate time, perhaps tomorrow, when that matter could be raised and argued. It may be necessary for some reply. I do not know.

Mr. Langdon: Mr. Speaker, I would just like to indicate that this seems quite a satisfactory procedure since it will give us time as well to find the "blues" for the committee for that particular period.

I did want to note, however, that this was not simply a gesture, an irritated shout. It was a series of comments.

Mr. Speaker: I certainly take it from the hon. member that he believes it is a serious matter. I will hear him at an appropriate time. I will contact the hon. member.

The hon. member for Esquimalt—Juan de Fuca wishes to rise, but on what?

Mr. Barrett: Mr. Speaker, I wish to rise on a question of privilege of which I gave you notification earlier. I think it is in your hands. It may have been confused with all the others on the earlier point.

• (1700)

Mr. Speaker: I must say to the hon. member that I have in front of me an application on a point of privilege and I take it that is what the hon. member is referring to.

DEMONSTRATIONS ON PARLIAMENT HILL

Mr. David Barrett (Esquimalt—Juan de Fuca): My point of privilege, Mr. Speaker, is related to a matter of privilege that I raised last Monday with regard to my conversation with a certain Mr. Kealey on the front steps. As you will know, because the matter has been brought to your attention, myself and the member for Carleton—Gloucester were in a conversation with Mr. Kealey and Mr. Kealey at that moment, while in the midst of a conversation, was taken away from our presence and escorted to jail.

He was escorted to jail in the company of Father Van Hee. Now both of these citizens are in prison which, of course, normally is a matter of the courts. But it has come to my attention that they are being housed in a 14-prisoner-capacity cell. The reason I link this to the point of privilege is that as a consequence of our actions we are morally bound with the experience of those two citizens.

It has come to my attention that there was almost an altercation in the cell this afternoon, that Father Van Hee, who is in the cell at the pleasure of some charge by the government related to my point of privilege, was under physical threat. Fortunately, no violence has taken place against Father Van Hee but when the threat to Father Van Hee was brought to the attention of the authorities in the institution, Father Van Hee was to told, and I quote, that the only option is "to play it cool or we can put him in solitary confinement for his own protection".

I am asking the Chair to consider in this case action from the Chair for *habeas corpus* to get these two people out of a situation that is not normal within their frame of experience, particularly the priest. Nothing has happened yet but I am concerned for the safety of the priest in the circumstances that exist and I want to bring it to the Chair's attention because of my earlier question of privilege.

Mr. Speaker: While I appreciate the hon. member's point, it is not a question of privilege. The hon. member

has used the occasion to inform the House of an event outside this House. It may well be that, having mentioned it, others may be able to intervene in some useful way. But I do not think we can pursue it any further at this time.

That concludes the questions of privilege.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), they are deemed to be referred to the appropriate standing committees, a list of which is attached.

While I am on my feet I move:

That the House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 205*)

YEAS

Members

Andre	Attewell
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bourgault	Boyer
Brightwell	Browes
Cadieux	Cardiff
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Cole
Cooper	Corbeil
Corbett	Couture
Crosby (Halifax West)	Danis
DeBlois	de Cotret
Desjardins	Dobbie
Domm	Dorin
Duplessis	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Gérin	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Holtmann	Horner
Hudon	Hughes
Jacques	James
Jelinek	Joncas
Kempling	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Loiselle	Lopez
MacKay	Malone
Martin (Lincoln)	Mazankowski
McDermid	McDougall (St. Paul's)
McKnight	Merrithew
Monteith	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Reimer
Ricard	Roy-Arcelin
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Sobeski
Soetens	Sparrow
Tardif	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Turner (Halton—Peel)	Valcourt
Van de Walle	Vankoughnet
Venne	Vézina
Vien	White

Wilson (Swift Current—Maple Creek—Assiniboia)—101

NAYS

Members

Allmand	Althouse
Angus	Axworthy (Saskatoon—Clark's Crossing)
Bélair	Benjamin
Blackburn (Brant)	Boudria
Callbeck	Clancy
Crawford	Duhamel
Ferguson	Finestone
Flis	Fontana
Funk	Gaffney
Gauthier	Grey (Beaver River)
Harvey (Edmonton East)	Hopkins
Hovdebo	Jordan
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)	MacDonald (Dartmouth)
MacWilliam	Maheu
McGuire	Mifflin
Mills	Nystrom
Pagtakhan	Peterson
Phinney	Pickard
Prud'homme	Riis
Robichaud	Robinson
Samson	Skelly (North Island—Powell River)
Stewart	Vanclief
Walker	Whittaker

Young (Beaches —Woodbine)—53

• (1740)

Mr. Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

CROP INSURANCE ACT

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 57, I move:

That the debate on the motion for third reading of Bill C-48, an act to amend the Crop Insurance Act, and on any amendment proposed thereto shall not be further adjourned.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen.

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 206*)

YEAS

Members

Andre
Bernier
Bjornson
Blais
Bouchard (Roberval)
Boyer
Browes
Cardiff
Chadwick
Chartrand
Clark (Brandon—Souris)
Cooper
Corbett
Crosbie (St. John's West)
Danis
Desjardins
Domm
Duplessis
Feltham
Fontaine
Attewell
Bertrand
Blackburn (Jonquière)
Blenkarn
Bourgault
Brightwell
Cadieux
Casey
Champagne (Champlain)
Clark (Yellowhead)
Cole
Corbeil
Couture
Crosby (Halifax West)
DeBlois
Dobbie
Dorin
Fee
Ferland
Fretz
Friesen
Guilbault
Halliday
Hawkes
Horner
Hughes
James
Joncas
Koury
Larrivée
Leblanc (Longueuil)
Loiselle
MacKay
Martin (Lincoln)
McDermid
McKnight
Monteith
Nicholson
Oberle
Plamondon
Reid
Ricard
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Soetens
Tardif
Tremblay (Rosemont)
Turner (Halton—Peel)
Van de Walle
Venne
Vien
Gérin
Gustafson
Harvey (Chicoutimi)
Holtmann
Hudon
Jacques
Jelinek
Kempling
Langlois
Layton
Lewis
Lopez
Malone
Mazankowski
McDougall (St. Paul's)
Merrithew
Moore
Nowlan
O'Kurley
Plourde
Reimer
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Sobeski
Sparrow
Thorkelson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vézina
White
Wilson (Swift Current—Maple Creek—Assiniboia)—105

NAYS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Blackburn (Brant)
Boudria
Callbeck
Crawford
Ferguson
Gaffney
Gauthier
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Kristiansen
Langdon (Essex—Windsor)
MacDonald (Dartmouth)
Maheu
McGuire
Milliken
Nault
Phinney
Prud'homme
Skelly (North Island—Powell River)
Vanclief
Whittaker
Althouse
Assad
Bélair
Black
Blaikie
Butland
Clancy
Duhamel
Funk
Gagliano
Grey (Beaver River)
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacWilliam
Manley
Mifflin
Mills
Peterson
Pickard
Riis
Stewart
Walker
Young (Beaches—Woodbine)—54

• (1820)

Mr. Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

CROP INSURANCE ACT

MEASURE TO AMEND

The House resumed from Tuesday, March 20, consideration of the motion of Mr. Mazankowski that Bill C–48, an act to amend the Crop Insurance Act, be read a third time and passed, and the amendment of Mr. Funk (p. 9523).

Mr. Speaker: Debate?

Some Hon. Members: Question.

Mr. Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Some Hon. Members: On division.

Mr. Speaker: I declare the amendment negatived.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Speaker: It being 6.25 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Thursday, March 22, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

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

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

* * *

COMMITTEES OF THE HOUSE

BILL C-40—REPORT OF LEGISLATIVE COMMITTEE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I wish to retable, in both official languages, the report of the legislative committee on Bill C-40, an act respecting broadcasting and to amend certain acts in relation thereto and in relation to radio communication.

This retabling corrects clerical errors in the version of the report tabled Tuesday, March 20, 1990. I want to assure the House that the bill as ordered reprinted by the committee is correct.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a point of order. I have been here for some time and I have not heard of retabling a report. I am wondering if the member who just spoke wants the other report to be withdrawn and this one put on the record instead. If that is what he is doing, we agree with that.

Mr. White: Just to clarify, Mr. Speaker, when the report was originally tabled on Tuesday, March 20, I was informed afterwards that there were some mistakes in the translation of some of the amendments so I would wish the original report to be withdrawn and this to replace it.

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

* * *

[*Translation*]

BILL C-61

TABLING OF LEGISLATIVE COMMITTEE REPORT

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I have the honour to present, in both official languages, the report of the Legislative Committee on Bill C-61, an Act to amend the Divorce Act, with amendments.

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

* * *

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present petitions in this House today. They have been certified correct as to form and content under Standing Order 36. They are signed by 281 residents of the city of Thunder Bay and surrounding areas.

The petitioners reject the government's proposed goods and services tax and call upon the government instead to reform the taxation system so there is an effective minimum tax on wealthy individuals and corporations.

• (1110)

VIA RAIL

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of citizens from all across Canada. In fact, there are a few names here from as far away as Australia and the United States. The petition is with regard to VIA Rail.

These petitioners ask Parliament to upgrade VIA with new equipment and make sure that the passenger train act is passed, which would allow VIA Rail to give the kind of service Canada needs.

GOODS AND SERVICES TAX

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I, too, have a petition to present which was signed mainly by residents of Sackville, a community in my riding. The petitioners want to voice their opposition to the new goods and services tax. They humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Rex Crawford (Kent): Mr. Speaker, once again I rise in the House pursuant to Standing Order 36. Whereas it has been proposed that a goods and service tax will be levied on skating lessons including instructors fees, facility rentals, equipment purchases and other related skating expenses, the undersigned, your petitioners, humbly pray and call upon Parliament to consider instruction in skating as an educational service and, therefore, exempt skating educational expenses from the proposed goods and services tax.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table five petitions today, pursuant to Standing Order 36, which have been found correct as to form and content. These petitioners object strongly to the government's proposal to impose upon Canadians a tax of 7 per cent on all goods and services as of January 1, 1991.

These petitioners think this proposal of the government will be hidden from Canadians and, therefore, will impose a very unfair tax on all of them. The tax will be on all goods and services and will cause serious and unfair hardship for low and middle-income Canadians. The petitioners say that the GST of 7 per cent will create an onerous burden on small businesses and, therefore, strongly oppose the imposition of this goods and services tax which is, in their opinion, an unprecedented tax grab from the pockets of Canadians which will hit them not only with higher taxes, but with higher inflation, higher interest rates and higher unemployment.

Gallup says that the Tories are at 17 per cent today, and they should not be doing this.

Mr. Speaker: Whatever the hon. member may have read, or whatever the polls may say, he knows that the presentation of a petition is not the place to make a speech.

Mr. Gauthier: Well at 17 per cent they should not be doing that.

Mr. Speaker: The hon. member is smiling. He knows well— better than most of us.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a petition from hundreds of citizens in the constituency of Notre-Dame-de-Grâce in Montreal who strongly oppose the goods and services tax which they say is an unprecedented tax grab from the pockets of Canadians and that it will hit them not only with higher taxes, but with higher inflation, higher interest rates and higher unemployment. They ask the government to withdraw this tax and to return to the drawing board.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by a number of Canadian voters who are opposed to the GST. Your petitioners call upon the government to withdraw the GST bill it tabled in Parliament.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, Question No. 226 will be answered today.

[*Text*]

ADMINISTRATIVE FLIGHT SERVICES

Question No. 226—**Mr. Milliken:**

For each year from 1985 to 1989, did the government incur costs in operating its V.I.P. fleet of Challenger aircraft and, if so, in total, what were they?

Hon. William Hunter McKnight (Minister of National Defence): With respect to the Department of National Defence, the governement incurred the following incremental costs, from 1986 to 1989, (incremental aircraft

operating costs, travel or temporary duty expenses of flight crew, and aircraft landing fees and related services) in operating administrative flight services:

—the Department of National Defence became the sole administrator of the Administrative Flight Services in 1986;

—for fiscal year 1986/87, the use of eight Challenger aircraft resulted in a total incremental flight cost of $10,361,000;

—for fiscal year 1987/88, the use of eight Challenger aircraft resulted in a total incremental flight cost of $12,508,000; and

—for fiscal year 1988/89, the use of eight Challenger aircraft resulted in a total incremental flight cost of $10,933,000.

Note: Administrative Flight Services (AFS) was established essentially as a national and international air transport service for the Royal Family, the Governor General and the Prime Minister. A secondary use is for Ministers ou Parliamentarians and their staffs for departmental or government purposes. Apart from such uses, the Department itself employs these aircraft for V.I.P. transport, medical evacuations and demonstrations.

[*English*]

Mr. Speaker: The question as enumerated by the parliamentary secretary has been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if Question No. 229 could be made an Order for Return, this return would be tabled immediately.

Mr. Speaker: Is that agreed?

Some hon. members: Agreed.

[*Text*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 229—**Mr. Comuzzi:**

For each of the last three fiscal years, for each individual or organization (a) located in Canada that received grants or contributions from the CIDA budget (b) engaged by CIDA on a contractual basis, what is the (i) name (ii) address of the recipient or contractor (iii) amount granted or disbursed (iv) purpose of the grant or contract?

Return tabled.

[*English*]

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

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

Some hon. members: Agreed.

* * *

POINT OF ORDER

ALLOTTED DAYS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, members of my party have been approaching the Whip's office with regard to the situation for tomorrow. I think there are rumours on all sides of the equation.

On the Order Paper members will find that there is one proposition for a possible opposition day that would carry a vote with it. It is my understanding that sometime yesterday that motion was provided to the Table. That would constitute one element of 48 hours' notice, perhaps, of the intention to have a vote on a Friday.

It is my contention, Mr. Speaker—and I think you are going to have to rule hopefully fairly quickly today—and if you look at the intent of our Standing Orders, you will see that there are two elements required in order to have a confidence vote on a Friday. One, that the government give 48 hours' notice of the intention to have an opposition day on a particular day. Two, that the opposition gives notice of a specific motion which would be votable and their intention to have that vote.

Mr. Speaker: Was that not done by the opposition?

Mr. Hawkes: I contend, Mr. Speaker, that the House will have certitude about the motion to be debated tomorrow at approximately six o'clock tonight. It is possible throughout this day to have more than one motion brought forward by more than one party. We have faced those situations in the past, in which case that has to be sorted out and a decision has to be made.

Mr. Speaker: Did the opposition not move and indicate their intention to have a votable day on Friday as of last night before six o'clock, or am I in error?

Point of Order

Mr. Hawkes: Mr. Speaker, one party in the chamber put forward a motion. The situation we were in yesterday was that one of the parties in the chamber put forward a motion, the essence of which was to say to the House that if there were to be an opposition day on Friday, they would like that motion to be votable, thus, in theory, constituting 48 hours' notice.

If the decision to hold a vote of confidence on a Friday, which is a very serious undertaking by this Chamber, can be determined in that kind of unilateral fashion we face the following situation: a party, or more than one party, could place on the Order Paper notice of a motion and the intention to hold a vote on a Friday and leave it there permanently, thus constituting 48 hours' or more notice for a month ahead of time, two months ahead of time or six months ahead of time.

I suggest to you, Mr. Speaker, that it takes a second element, which would be 48 hours' notice of the government's intention to call that day. When the two things come together—48 hours' notice by the government, 48 hours' notice by the opposition—you can indeed face the situation of five members rising in their place and causing the Friday confidence vote to occur.

If it is a one-sided designation, entirely in the hands of the opposition, then every single Friday from now to eternity could potentially culminate in a vote of confidence at the end of the day, if we were to designate it as a supply day. It would perhaps take the choice of a Friday from the government's arsenal and its responsibility for ordering the business of the House.

It also leaves members under a different kind of threat. Members right now are having to decide whether to keep their commitments to very important public events that may take place later this day or tomorrow morning, from Vancouver Island to the Yukon to Newfoundland.

• (1120)

Resting in the hands of the opposition at this moment is the opportunity to come forward with a different motion. It has that opportunity right up until six o'clock today. No opposition day has yet been designated, but if we were to stand in the Chamber at this moment and designate tomorrow to be a supply day, the Official Opposition and the third party of the House have until six o'clock tonight to put forward a motion for debate tomorrow. There is one on the Order Paper that deals with the issue of a vote, but others that came forward today might not.

The wording of the current motion could be changed in some fashion and the intention to have a vote could be put forward, but if that comes forward between now and six o'clock tonight, that vote will occur on Monday. So throughout this day members are under the threat that the circumstances they are preparing for can change.

This particular change came out of the McGrath report and it was consistent with other changes. At least some of those changes were dedicated to the notion that to serve the people of the nation well, to operate in a democratic fashion in the best interests of our constituents, members needed a better sense of planning. That is why we came to a parliamentary calendar and a to variety of different rules.

We recognized, in the creation of the Standing Orders, the importance of confidence votes and the need for notice in relation to that so members could be present. But we came to a special set of rules regarding confidence votes on Fridays. We said that there should be 48 hours' or, in parliamentary terms, two days' notice because Friday is a day when members frequently have other obligations away from Ottawa. They would require two days' notice of two elements: that the confidence vote would be occurring on the Friday and that the government was designating it as a supply day.

Because of the confusion currently in members' minds, Mr. Speaker, I think we need you and your people to review the Standing Orders to take into account this argument and some arguments that others in the House may want to present, but to get back to the House as quickly as possible. The government very likely might designate tomorrow as a supply day—

Mr. Milliken: It has to. It has no choice.

Mr. Hawkes: —but the government and members need to know whether my interpretation of the Standing Order is correct, that there are two elements required to be met before a confidence vote can be forced to occur on a Friday. They are the designation 48 hours in advance that it will indeed be a supply day and the notice of the motion from the opposition also occurring with 48 hours' notice.

If we leave ourselves open to the notion that the opposition can put down a motion in perpetuity about Fridays that stops us from ever having Friday opposition days without votes, then I think we are running counter to the intent of those regulations and to the intent of the McGrath committee and its efforts to help us develop a better way of conducting the nation's business.

Mr. Speaker: I will hear the hon. member for Ottawa—Vanier in a moment. I want to ask a question. Is not part of the problem that there is a time period into which two more supply days must occur between now and Monday? Am I incorrect in that?

Mr. Hawkes: Mr. Speaker, I think you will find that the parliamentary secretary to the government House Leader is prepared to rise at some point today—it could be immediately if you prefer—on another point of order related to the number of supply days that are left in this period. Some arguments can be made.

But we need certitude for the immmediate future and in the long term. Do our Standing Orders provide for the possibility that the opposition, either or both parties, can put a motion on notice requiring a Friday vote which sits there in perpetuity and can be activated on any particular Friday that the government chooses to name? If the government rises on a Thursday and designates Friday as an opposition day—which constitutes a rather regular pattern around here, that we give 24 hours' notice of the business for the next day—that faces a 48-hour notice period that is on that Order Paper in perpetuity. I think then that we have obviated the whole purpose of treating confidence votes as very important and something on which members should clearly have 48 hours' notice when they occur on a Friday.

So I am saying that if we designate tomorrow today, then the vote should occur on Monday because that would constitute the necessary notice to members.

Mr. Speaker: While we are discussing this we may as well go on to the next stage. Are we in a position where two more supply days must be allotted between now and Monday? If that is the case, the hon. member puts forth a very reasoned position. But if, on the other hand, we are caught in a situation in which two supply days must take place between now and Monday, whatever merit the hon. member's argument has does not seem to me to solve the problem. I am quite prepared to hear the whole argument now, and I think maybe we should.

I will come to the hon. member for Ottawa—Vanier in a moment.

Mr. Gauthier: We have arguments to make too, Mr. Speaker. This is a dialogue.

[*Translation*]

Mr. Speaker: I will hear the hon. member for Ottawa—Vanier (Mr. Gauthier) in a minute.

[*English*]

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I would like to add perhaps the second element of the point of order raised by my colleague, the Whip for the government.

As the Speaker is aware, there was a special order passed in this House on April 4, 1989, and June 27, 1989, which provided for six allotted days to be votable in the September to December supply period. This order superseded the Standing Orders providing for a total of no more than four votable supply days in any one period. For example, September to December, January to March, or the other period of April to June.

If we go back through what has happened we will find there were votable opposition days, or allotted days, on October 2, 12, 19, 30, 31, and then again on December 5 and 6, again on February 1, and another one, the eighth, on March 15.

As a result, with the six allotted days in the September to December 1989 supply period, and assuming that a supply cycle runs from September to the end of June, then adding the two votable days in the period that we are now in of January to March, I would argue that the opposition has had the maximum allowable votable days, which is the eight. We think that that is the case. As a result of that we argue that Friday cannot therefore be a votable supply day.

Mr. Speaker: I am going to hear the hon. member for Ottawa—Vanier in a moment and I am going to hear him completely and fully. What was the basis upon which the special order was made? What was the understanding? Am I supposed to believe that as a consequence of that understanding the opposition gave up two supply days? That is the proposition that is being put to me. Maybe they did, but I want to know.

Point of Order

The hon. member for Ottawa—Vanier.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, some positions are extremely difficult to defend, but in this case, the government's position is untenable. Yesterday, the government had an opportunity to designate today as an opposition day. It did not, because it was obsessed with imposing closure on a bill. They forgot that before adjournment of the House, they could have designated Thursday, March 22, as an opposition day, and possibly next Monday, since according to the Standing Orders, March 26 shall be the last opposition day, and they knew perfectly well we had an opposition day scheduled for that date.

I may remind the government and those who are in charge that designating an opposition day is their responsibility. However, they must comply with certain provisions of the Standing Orders. Although there was a special agreement last year because of exceptional circumstances, I may remind the House that Standing Order 81(8) reads as follows:

> For the period ending not later than December 10, six sitting days shall be allotted to the business of supply.

• (1130)

Opposition days, in other words.

> Nine additional days shall be allotted to the business of supply in the period ending not later than March 26.

Mr. Speaker, we then have ten days left. The text goes on to say:

> Ten additional days shall be allotted to the business of supply in the period ending not later than June 30. These twenty-five days are to be designated as allotted days.

Mr. Speaker, I am not aware of a standing order that says we must wait for the government to designate a day before it is allotted. If the government was negligent and failed to comply with the Standing Orders of the House, all I can say is that it's a lost cause. We in the Opposition knew you had to give us two opposition days by March 26. We knew yesterday was March 21. We also knew it was the New Democratic Party's turn, because we take turns taking opposition days. The two last days were coming up. Monday will be ours, because we operate two to one, on the basis of the number of members in each party. There are twice as many Liberals as New Democrats, so we have two days more than they do.

Some hon. members: Really!

Mr. Gauthier: Those are the facts. What can I say? It may be sad for some people but facts are facts..

Mr. Speaker, I am not aware of a single standing order that could be used by the government whip, although I admit he put up a good defence, but just the same, it was not entirely convincing. I admit he defended his case, but not convincingly. We still have six votes. We had eight, but we only used two, so there are six left, and it is up to us to determine whether those days are votable or non-votable. I know today's Order Paper contains a motion in the name of Mr. Hovdebo, filed in the appropriate manner, which says:

> Opposition motion for the Supply period ending March 26, 1990.

—which will be next, and pursuant to Standing Orders 81(14) and 81(12), it will be votable and is not deferrable. The vote cannot be deferred. The vote must take place tomorrow, Mr. Speaker. There is nothing I or the government can do about it. The situation is quite straightforward, Mr. Speaker, and the Standing Orders are clear. I think the government will have to acknowledge they were sleeping on the job yesterday and failed to do what they notably should have done, which was to designate today as an opposition day. This morning, we thought about it, and we were saying: Maybe, considering the proviso under *Projected Order of Business* which reads "subject to change without notice", the government will change today's order to call Bill C-65 and decide to make this an opposition day. However, after some more thinkings we concluded it could not do that because otherwise it would have had to give notice yesterday. So I say to the government: It's just tough!, Too bad, but that's the way it is. They should have realized there is more to this game than closure and time allocation. Strategy is also part of it, but the government has been lacking in strategy, Mr. Speaker.

[*English*]

Mr. Hawkes: I rise on a point of clarification, Mr. Speaker.

I always appreciate the spirit with which my friend enters into debate. However, he seems to have forgotten that when we approached the table last evening for knowledge of whether or not notice had been given about the intention of a vote on Friday, we were informed that the motion which would appear on the

Order Paper this morning was embargoed. We had no information about it.

He may have had 48 hours' notice. The hon. member for Saskatoon–Humboldt of the New Democratic Party may have notified his members; but the government was not notified. There was not 48 hours' notice available to the government about the intention to have this vote.

Therefore, I suggest on that ground, in addition, there seemed to be the element that he knew something that we did not know. We were at the table requesting information. The person who put the motion on the table obviously asked for it to be embargoed. That is a choice which he made, but he chose deliberately to withhold the notice from all the members of the Chamber. I think that may add a somewhat different element to this matter. In fact, it may help you, Sir, to rule on this particular situation.

I think we have the general case, which I raised earlier, of whether or not a member of the opposition can simply put a permanent motion on the Order Paper which constitutes 48 hours' notice, forever and ever. I suggest that breaks the whole intent with respect to arranging the parliamentary calendar.

If you want to deal with the specific choice to embargo the information from the government, Mr. Speaker, then that clearly tells the House that members on this side of the House did not have the required 48 hours' notice in this particular case.

Mr. Gauthier: Mr. Speaker, since the question was put to me, I would like to reply.

Indeed, I think the question is important, and I did address the question in the debate in this House on the Message from the Senate concerning Bill C–21. I am sure the hon. member will recognize that I did, at that time, raise the issue. There are not very many motions of which opposition members are not given prior notice. However, there is one instance when that occurs. It is when a message comes from the Senate and a motion to address that message, either in the negative or in the affirmative, is made by the government. We, the opposition, are not told of that position or that motion until the minister has finished speaking on the message. That is totally unacceptable.

There is nothing unacceptable about a motion being put to the House and notice be given on the Order Paper. There is nothing in the books, as far as I know, that forces the opposition to give notice to the government before the Order Paper is printed.

As a matter of fact, we could do what the government does with us on the question of Messages from the Senate. We could say to the government: "Wait until the Order Paper is printed before you find out what happens".

I will tell the government more than that. We have thought of putting 15 motions on the Order Paper, so the government can keep 15 ministers in place the night before and then find out the next day which motion we are going to call. We could do that. But we are not doing it because we are trying to get co–operation from the government.

I am asking the government whip to plead with his House leader to change some of the dispositions in the Order Paper which make it impossible sometimes for us to get advance notice of motions and the government's intention to move on certain things. I think that is very important.

I do not think he has a case today. The government was given notice yesterday at a quarter to six—

Mr. Hawkes: No, we were not.

Mr. Angus: A quarter to seven.

Mr. Gauthier: A quarter to seven, I am sorry.

If you got it this morning, it is still in order; it is not a point of order. I am told you got it at 6.45. I will let the NDP talk to that point.

Mr. Speaker: Perhaps I could hear the hon. member for Saskatoon—Clark's Crossing, and then I will come back to the hon. member for Calgary West.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, in the last while, the government has been in the habit of making untenable arguments. I think this is just one more example—

Mr. Speaker: I am not interested in debate. We have a difficult procedural matter which I want addressed, and I want it addressed very exactly and succinctly. I know the hon. member will help the Chair.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, all the appropriate notices have been given. Indeed, as has been mentioned, the parliamentary secretary to the government House leader, yesterday was

informed at 6.45 that this motion would be votable. So I do not quite understand the point that is being made.

Mr. Hawkes: That is not true. We went to the table. It was embargoed. They wouldn't tell us.

Mr. Axworthy (Saskatoon—Clark's Crossing): In any case, the government really is the author of its own problem.

It designated Wednesday as an opposition day, and then on Tuesday undesignated it. We knew there would be two days before March 26, as we have heard and, by deduction, that Friday would be an opposition day. It was agreed that it would be a New Democrat opposition day.

• (1140)

If we had not had the revocation of its commitment to have Wednesday as our supply day, then this problem would not have arisen. Neither would it have arisen if the government had designated today as an opposition day.

It is really a problem within the government House leader's office, rather than anywhere else.

On the point about the arrangement made last April, this was clearly a special arrangement. Mr. Speaker, you alluded to this. There was a clear understanding that once the House began again in January, we would start with a fresh slate and there would be eight votable opposition days in the 1990 year. I think if you reviewed the special order, Mr. Speaker, you would find that that in fact was the case.

As with all these matters, they are open to the normal method for negotiation and discussion. That would have been an appropriate way of addressing it.

I think the matter is quite clear. Tomorrow is a New Democrat opposition day. It is a votable day. I think we are faced with that quite clearly.

Mr. Speaker: I thank the hon. member.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, you had asked what was the intention of the House orders that were passed. You asked if there was a willingness on the part of the opposition to give up two allotted days.

In fact what happened with those particular special orders was that the opposition was given two additional allotted votes during that time cycle. To refresh the memories of hon. members, the reason it was done was to accommodate the fact that the House came back later because of the debates that had gone on before. This was an assistance to the opposition.

I think it is very important, too, to take a look at Standing Order 81(14) which provides for four votable allotted days in any one time period.

It goes on to state: "—provided that not more than eight opposition motions in total shall be motions that shall come to a vote during the three supply periods provided—".

We believe that the supply period runs from September to June. It commenced in September. There have been six allotted days which came to a vote prior to the December timeframe, plus two more that we have had since that time, in February and in March. As a result we have come to the maximum of eight which is allowed under Standing Order 81(14).

I think it is very clear that that in fact was the intention.

The Speaker also asked me the question as to whether or not in the special order this was addressed. In fact, it was not. The issue was silent. As I understand it from our side, there was certainly no intention to put us in a position of having to face additional votes in this second timeframe. There has always been that provision for a maximum of eight. It was an intention on our part to accommodate some of the earlier days back in September to make sure that the opposition did have those allotted days.

We believe that our arguments do stand and that in fact the eight days that are allowed by the rules to come to a vote have already happened. We believe on that basis that Friday definitely could not be an allotted day.

Mr. Speaker: The hon. member for Calgary West.

Mr. Hawkes: Mr. Speaker, I wish to respond to my friend from the New Democratic Party, who may or may not be aware of this. I want it made absolutely clear that as the government whip and as a House officer I have certain responsibilities in this Chamber related to votes. As such, I approached the table last evening somewhere between 6.20 and 6.30 to make an inquiry as to whether a votable opposition motion had been presented to the table because I was aware of the notice provisions.

I was informed by the table that, yes, there was a motion but that information about it was embargoed by the people who had given it to the table. I was told that I would have to see it in the Order Paper this morning.

That decision in this specific instance makes it impossible for us without unanimous consent to have a vote tomorrow. It is a confidence motion. It requires 48 hours' notice. As the person responsible as a House officer, I was not allowed to have the 48 hours' notice that obviously the New Democratic Party seemed to have, and which I suggest perhaps the Official Opposition had.

I requested it from the table. I was told that the party that had presented the motion had embargoed that information and it could not be given to me. Therefore, there was a clear intent in this specific instance—and it does not deal with the general case—that, clearly, as the government whip, I did not have 48 hours' notice and therefore 48 hours of opportunity to inform my members of the possibility of a vote.

Mr. Speaker: I am going to come to the hon. member for Kingston and The Islands in a moment. I want to hear the hon. member for Thunder Bay—Atikokan first.

In trying to find a way through this matter, whatever the rules may or may not require I am puzzled at why there would be this embargo under these circumstances. What was the purpose of that?

Mr. Gauthier: Political, to embarrass the government.

Mr. Speaker: The hon. member for Thunder Bay—Atikokan.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I hope I can assist you in your deliberations on this matter. Part of the problem is that our House leader is not here today. We are having to rely on signals to the back to get some information to which we ourselves were not privy.

I have a couple of points of clarification, if I may, Mr. Speaker. The assistant to the House leader of the New Democratic Party advised the parliamentary secretary to the government House leader at approximately 6.45 last night of the fact that the motion was to be votable. In attendance at that discussion was the government House leader's assistant, Mr. MacKenzie. We clearly did what we felt was appropriate in terms of advising the government of our intention.

It would seem that the government is suggesting that there should be two sets of rules. One is for the government in terms of the amount of notice the opposition will get as to what day shall be a supply day and whether or not it is votable. The second is that we should have a longer period to advise the government that it is going to be votable. I would ask you, Mr. Speaker, to review that particular aspect.

• (1150)

I am also advised that we did indicate to the table that it be embargoed. I do not want anyone to think that the table took it upon itself to put in place the embargo. However, we did provide the government with the text of the motion on Tuesday of this week. I am advised that the government had full knowledge of the content of the motion. It knew, irrespective of the point of order raised by the Parliamentary Secretary to the Government House Leader, of the number of allotted days and whether or not there were two votable days between now and Monday and that there was a good chance we would use our right to have a votable motion.

The other point I would like to make is with regard to the special order last fall. I took part in the negotiations, having filled in for the House leader at that time. I would ask that you, Sir, check the actual wording to see whether the motion was worded in such a way that it was notwithstanding any special or standing order. I believe there was a caveat stating that this was a one-time situation and that we covered ourselves in that regard. However, I do not have a copy of it in front of me.

Mr. Speaker: I appreciate very much the help I am receiving from the hon. member. Does anyone have a copy of that special order? Could it be brought to the table?

I am fully cognizant, as your servant, that this is a procedural matter and I must deal with it as such. I want to be absolutely sure in my own mind about this. Did or did not the government know last night? There seems to be a conflict of facts here. I want it to be straightened out.

Point of Order

Mr. Hawkes: Mr. Speaker, may I contribute to that? I have laid out information for the House that I went to the table between 6.20 and 6.30. I asked and was told that it was embargoed. I, as the whip, did that. I think there were witnesses to that, and the table can confirm that for you very easily.

What the whip of the New Democratic Party has said is that one of his staff people approached the Parliamentary Secretary to the government House Leader with information about the votability of the motion at 6.45. This was some 25 minutes after I went to the table, but some 45 minutes after the normal close of business at which point it would have been possible for the government to do the allotting.

We were informed through other channels that the clock had run out at six o'clock because the notice period had run out at six o'clock. Certainly, I think it is clear, and all that you need to be seized with at this point, is that at 6.20 to 6.30, some 20 to 30 minutes after the notice had to be filed, the embargo was certainly in place from the table's point of view and was communicated to me at that point.

I had an opportunity at the conclusion of the vote to provide information to my members before they started to disperse, but without having the notice, the chance to communicate was lost. The whole purpose of notice is for members to have certitude as much as possible about their world. It may have been inadvertent on the part of the New Democratic Party's caucus to put in place that embargo, but certainly the table felt at 6.20 that it could not give me as the Chief Government Whip that piece of information. I was told directly that I would have to wait to see what it said on the Order Paper this morning.

In a technical sense the government is quite frequently in the difficult position of getting a verbal communication when in fact there is a written communication which is official. You must always be careful. In the past, on opposition days, and it has been many, many months now, Mr. Speaker, we have in our possession by six o'clock or shortly thereafter a printed copy of the motion and a printed copy of the intention of whether it is votable or not. That is the normal expectation that I would have as the Chief Government Whip that at six o'clock the night before I have this information.

Last night the table would not give it to me. I just want to make that clear. The fact that at 6.45 there was a conversation between a staff person of the New Democratic Party and our parliamentary secretary may be helpful, but it is not official.

Mr. Speaker: I will hear the hon. member for Thunder Bay—Atikokan further, and I will come to the hon. member for Kingston and the Islands in a moment.

Mr. Angus: Mr. Speaker, I listened with interest to the government whip's comments. One of the questions that Your Honour will have to decide upon is whether an opposition party has the right to have the table embargo such information. We thought we were doing what was appropriate in terms of advising the government verbally. There is nothing in the rules that I know of that requires us to provide it with a written indication that a motion will be votable.

Mr. Speaker: One moment, please. I want to make it very clear I am not even raising that issue. It was a conflict in what I have been hearing and I wanted it straightened out. Sometimes the Chair has to make procedural rulings based on what the circumstances really are and some common sense. But I am not for one minute putting up for grabs the issue as to whether or not the table is required to release information under the procedure that was followed last night.

As I understand it, the procedure is exactly the same for both sides of the House. I will listen to the hon. member further.

Mr. Angus: Mr. Speaker, I appreciate those comments. I only have a couple more points to make.

Just as an observation, there is a chronic problem with notice. We might want to at some point refer that for consideration. For example, the government can give notice of a motion on Friday and move it on Monday morning. The earliest that we could technically see the text is on Saturday when the Order Paper is produced. There are some problems there and this may just be another element of that.

I should point out that from our point of view this is only a notice of motion. The government has not as of yet allocated Friday as an opposition day. I think that it has no choice given the other Standing Orders. However, this motion or the votability issue could in fact be withdrawn. If the government had wished to concern

itself with that aspect, as opposed to raising the point here, we would have been more than happy to discuss it.

As a final comment, Mr. Speaker, I hope that you uphold our right to decide when we should have a votable motion. It is up to the government to allocate the days. It waited until the last minute, assuming that it is going to do it later, after you rule, for tomorrow. It is important for the opposition to have the right to say that it is going to be votable when it so deems it.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, there are two principal issues that I think Your Honour needs to deal with here. One is the argument advanced by the Parliamentary Secretary to the Government House Leader concerning the number of supply days remaining in the period and, in particular, the number of votable days remaining in the period.

I know he has referred to the special order adopted in this House on April 4 last year which was subsequently modified, but I do not think in a matter that is relevant for our purposes.

What that motion did quite explicitly was change the number of votable days in one of the periods.

If Your Honour recalls the reasons why this motion was passed, you will recall that the House did not sit last January, February or March until April 3. Thus the entire supply proceedings got out of whack.

The government, in an effort to salvage something from the confusion which existed at that time, got the House to agree to a motion, which we agreed to on April 4, just after Parliament reconvened. I believe it started on April 3, which was the second day of the new session. We agreed to changes in the number of supply days. There were 12 days allotted before Friday, June 16, six of which were to be votable, and then a further 13 for the period ending December 10, six of which were to be votable. Therefore it was a change in the number of votables and that was a sop to the opposition because we were losing days in the normal supply period in that the government had failed to come into this House and present its Estimates in a timely way and allow the usual debate on supply to proceed in January, February and March. That was the reason for this change. It did not say anything about changes beyond those periods specified in this order.

Point of Order

• (1200)

On December 20 of last year, the House adopted another special order regarding supply. It was on the adjournment of the House for Christmas. Again, Your Honour will recall that part of the reason for this was that the Christmas holiday was extended by an additional week at the government's request and the opposition apparently, from the terms of this, gave up one of its supply days in the period.

In other words, the number was reduced from nine to eight. I can only assume it was because a week was taken off the normal sitting time. The order adopted on December 20 said in part: "That the number of allotted days in the period ending not later than March 26, 1990 be reduced from nine to eight". The seventh and eighth days are still to take place. One can only go to the normal rules of the House relating to the number of votable days in a supply period to determine the number of votable days, and not go back and start counting up all the special days that were created by virtue of the order made last April.

The parliamentary secretary is going back and counting up those extra votes in that period and saying those do not apply. The Standing Orders are quite clear. The parliamentary secretary is shaking his head.

Mr. Gauthier: He has a headache.

Mr. Milliken: He may well have a headache. I can understand that. I expect that is why the government House leader is unable to be here. He probably has a splitting headache.

There are to be up to four votable days in the period, and the parliamentary secretary knows that. They have not taken place and another votable day is available. Accordingly, in my submission it is quite clear that there is a votable day available. It can be designated as votable. We can only proceed from there.

Let us go back to the other argument about the 48 hours' notice. Perhaps the government whip has forgotten that the hon. parliamentary secretary to the government House leader raised this issue on Monday, October 30. Your Honour had made a ruling on Thursday, December 7, concerning this very issue. I would like to quote from Your Honour's ruling, because I would have thought this would have made it perfectly clear to the hon. gentleman on the other side exactly what the rules

are. As reported at page 6583 of *Hansard*, Your Honour stated:

> The first question asked by the parliamentary secretary was whether it was necessary for the government to designate a supply day before the opposition can give notice of a motion they want debated.

Exactly on point. In fact, I thought I heard the chief Whip on the government side raising this point.

You went on, sir:

> The parliamentary secretary maintained that it was a necessary precondition. The hon. member for Kingston and the Islands suggested that in this specific case it was not necessary and that, in any case, it had been done in anticipation of Friday being a votable supply day.

What could be more on point. Your Honour further stated:

> According to our rules and practice, the purpose of notice is to give warning to the House of an item of business that might be raised for debate. The notice does not necessarily mean that the item will actually be debated or that it will be debated any time soon.
>
> The Order Paper contains numerous items for which notice has been given but which have not yet been debated. The parliamentary secretary suggested that proceedings on supply days are different.
>
> While I agree that certain aspects of supply have a character distinct from other proceedings, it seems to me that unless the rules on supply are explicit, the usual practices should be followed. This is the case with notice.

Your Honour further stated, and these words are most instructive:

> It is competent for any opposition member to file a motion that might be debated on a supply day. Normally what happens is that members file supply day motions at the latest possible moment after a day has been designated by the government, but this does not preclude the right to give notice of the supply motion well in advance of a supply day. Indeed this has happened.

Your Honour cited a precedent in 1982 where a notice similar to this sat on the Order Paper for six weeks, through three other supply days, before it was finally called on a special date, on the last day of the period in March. If Your Honour will look at the date in 1982, I am sure the parliamentary secretary will be able to get the government House leader to recall that perhaps it was one of their motions that sat on the Order Paper all this time. To hear the government Whip arguing now that somehow this motion is defective because it was given in advance is not accurate.

I suggest that the rest of Your Honour's ruling on December 7 was the epitome of light and reason. It applies to the situation with which we are faced now. I know the parliamentary secretary was here and he heard the ruling. It was an excellent ruling and I commend it to him for his earnest study before he tries another one of these stunts.

The other question is the 48 hours' notice rule. If I heard the Whip correctly, and I must say his arguments here were not precise, the suggestion seems to be that because he was not told before three o'clock yesterday afternoon he did not get 48 hours' notice. He has been around Parliament long enough to know—

Mr. Hawkes: They would not tell me at 6.20 p.m.

Mr. Milliken: They would not tell him until a quarter to seven. Whether it happened at five o'clock or whether it happened at a quarter to seven or whether it happened at three o'clock in my submission is irrelevant. The standard practice in this place is that 48 hours in the rules has been construed to mean the notice must be handed in at the Table before five o'clock, two days before the day it is to come up. If Friday is to be the day, it must be handed in on Wednesday by five o'clock. If it is received at the Table by that time, as I understand it, that constitutes 48 hours' notice in this place.

Government bills are frequently handed in at the Table. We do not see them and we do not know anything about the notice concerning those bills or government motions until they are printed in the *Projected Order of Business* the next day and on the Notice Paper, and then they are debated the following day. That is our notice. In some ways it constitutes about 24 hours' notice, but that is the way the rules have been construed for years and years.

The government Whip is trying to suggest that if one of the parties on this side gives a notice, until the government gives its notice of designation that somehow the notice period does not start to run. I say that is just nonsense. It is nonsense because in looking at the Standing Order itself it clearly contemplates the possibility of 48 hours' notice being given, particularly for a Friday vote. I refer Your Honour to Standing Order 81(12) which states:

> (12)(a) Forty-eight hours' written notice shall be given of motions to concur in interim supply, main estimates, supplementary or final estimates, to restore or reinstate any item of the estimates. Twenty-

four hours' written notice shall be given of an opposition motion on an allotted day or of a notice to oppose any item in the estimates, provided that for the supply period ending not later than June 30, forty-eight hours' written notice shall be given of a notice to oppose any item in the estimates;

(b) if an opposition motion pursuant to section (14) of this Standing Order is to be proposed on a Friday, forty-eight hours' written notice shall be given that the recorded division on the motion, if demanded, is not to be deferred;

I understand that that is the situation. The government says that the 48-hour period does not start to run somehow until it designates Friday. Based on Your Honour's ruling of December 7, that is not a reasonable interpretation of this Standing Order. It is completely twisting the words of the Standing Order.

The purpose of the Standing Order was to ensure that the government had 48 hours' notice that there was going to be a vote on a Friday, and I submit that the government got that notice in accordance with our practice. Having got the notice, now it is trying to squirm out of it by saying that its members are not around on Friday. They are off doing other duties. They are leaving early for the weekend. It is in a difficult situation and is trying to get out of it by a strained interpretation of these Standing Orders, which is at variance with Your Honour's ruling on December 7, at variance with the rules themselves, and at variance with the practice of the House established since these rules came into effect I believe in 1968.

Mr. Speaker: Of course I will hear the hon. member for Thunder Bay—Atikokan, but I want to indicate to hon. members that I understand the situation. Very shortly, I am going to reserve and consider the matter. I will report back to the House as quickly as possible, which means almost immediately, but I will hear the hon. member for Thunder Bay—Atikokan.

• (1210)

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I will be very brief. There are two points I wish to add.

It dawned on me while listening to the arguments of my colleague in the Liberal Party that if the New Democratic Party were forced to wait until the government gave formal notice of tomorrow being an opposition day, we would clearly not have the opportunity to give 48 hours' notice of the fact it would be votable. Therefore we would lost our right to have a votable motion.

My second point is that according to the reform of this House it is up to the government to decide if the vote is a matter of confidence. Having looked at the wording of the motion, which in no way condemns the government of the day but seeks to move forward, they could choose either to vote for it or to say that if it passes it is not a matter of confidence. That is clearly within their purview. I would ask that Your Honour take that into consideration in your deliberations, and all members of the House look forward to hearing your response.

Mr. Hawkes: Mr. Speaker, nothing in my arguments—and I am sorry if they were misconstrued—would relate to the opposition losing its power to designate a day as votable. That is clearly in there and if the designation today is for tomorrow the motion can indeed be votable.

The question at issue is the degree of notice required for members as to when the vote will occur. If you put in another motion later today and you want it votable, clearly the Standing Orders would say that vote occurs on Monday because of the normal relationship of Friday.

I am suggesting that the reason for the rule that 48 hours' notice of when that vote is to occur must be given is so that all members can at least have that much time to rearrange their plans. In this specific case, the government did not have that required 48 hours' notice. I suggest that this is a general case you may wish to reserve judgment on for somewhat longer. We have both an immediate problem and a long-range problem. There must be two elements on notice: that a Friday will be a supply day and that has to be there 48 hours in advance, and that a vote will take place and that has to be there 48 hours in advance. When both elements are present, then you will actually have a confidence vote on the Friday. When one of those elements is missing, I suggest in the general case that the vote is automatically deferred. That was the intent of the McGrath commission and the response of this House to that was the certitude about when votes would take place, when indeed they were supply day type votes. That is the reason for the special rule.

Mr. Speaker: I thank hon. members for the manner in which this debate was conducted.

There are a number of issues here as hon. members know. If I were allowed to act unilaterally, I might very well immediately change the rules, but I am afraid I do not have that luxury nor do hon. members. I must go away and decide this on the basis of the rules as they are and as the practice has been. I will report back to the House as soon as possible.

I may be able to report back by one o'clock, but I will certainly be able to report back immediately after Question Period. I thank hon. members.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1990–91

MEASURE TO ENACT

Hon. Gilles Loiselle (for the Minister of Finance) moved that Bill C–65, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Madam Speaker, as hon. members are aware—

[*English*]

The Financial Administration Act requires that statutory borrowing authority be obtained from Parliament in order for the government to increase its outstanding debt.

Specifically, Part IV, section 36 of the act requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament". This refers to new money only rather than the refinancing of existing debt since section 46 of the act provides continuing authority to borrow funds to repay maturing debt.

While section 47 provides for temporary short-term borrowings, statutory borrowing authority must be obtained from Parliament to permit the government to implement a regular debt program to meet its financial requirements.

This bill should be viewed in the context of the government's continuing efforts to deal with Canada's deficit and debt problem.

The budget tabled by the Minister of Finance on February 20 reaffirms the government's commitment to reduce the deficit. Through a wide-ranging expenditure control plan and with no increase in taxes, the budget keeps the deficit on a downward path that will see it cut in half in four years.

The budget is part of the government's consistent, comprehensive plan to ensure that Canadians benefit from a strong and prosperous Canada.

That plan, first set out in 1984, has two main thrusts: to foster a dynamic, innovative and competitive private sector; and to put the government's fiscal house in order.

Our economic plan and the firm actions we have taken in the budget as part of that plan have brought us a clear prospect of lower inflation and a steadily declining deficit. They help ensure that the government's fiscal position in the 1990s can support the programs Canadians value most. By persevering, we will attain great control over our destiny and greater ability to devote our resources to investments in a rising standard of living and a better quality of life for all Canadians.

I would now like to outline for the House the terms of the borrowing authority bill for 1990–91. Paragraph 2(1) of the bill requests borrowing authority in the amount of $25.5 billion for fiscal 1990–91. This amount is equal to $22.5 billion of borrowing requirements, of which $21 billion is the government's estimated net financial requirements from the budget, $1.5 billion is the estimated exchange fund account earnings, and a $3 billion reserve to manage foreign exchange transactions.

As was the case last year, the request for borrowing authority to cover exchange fund earnings reflects the fact that although these earnings are reported in the public accounts as budgetary revenues, they give rise to additional Canadian dollar borrowing requirements. This is because they are retained in the exchange fund account and are not available to finance ongoing operations of the government.

The $3 billion reserve requested in the borrowing bill is the same as granted in the previous three years.

Paragraph 2(2) states that all unused borrowing authority granted by the Borrowing Authority Act, 1990–91, to the extent that the unused authority exceeds $3 billion, will be cancelled on March 31, 1991. Thus, this

paragraph preserves the government's non-lapsing reserve into the next year to accommodate the possibility that new statutory borrowing authority is not provided before the 1991-92 fiscal year begins.

Paragraph 3 ensures that the $3 billion reserve granted last fiscal year by the Borrowing Authority Act, 1989-90 will be cancelled on March 31, 1990 or on the date the new bill comes into force, whichever is later. Thus, this paragraph prevents non-lapsing reserves granted for earlier years from accumulating but ensures that cancellation will take place at a time that is not disruptive.

Paragraph 4 ensures that if the new bill passes after March 31, 1990 and part of the $3 billion reserve granted for 1989-90 has been used, this does not increase the total amount of borrowing authority available for 1990-91.

For the information of hon. members, I would like to briefly review the government's debt operations to the end of February 1989-90.

• (1220)

So far the domestic debt program has increased the unmatured domestic debt outstanding by approximately $19.6 billion. At the same time the outstanding debt in foreign currencies has been reduced by $2.9 billion. The combined effect has been an increase in the outstanding unmatured debt to around $294 billion.

Of the total net debt issued so far in 1989-1990, $10 billion was in the form of marketable bonds. As well, the government increased the emphasis on selling bonds by auction, which it has found to be a cost effective form of issuing debt. Auctions now account for about 65 per cent of all marketable bonds issued, up from about 60 per cent in 1988-89.

Treasury bills were used to raise $15.5 billion of new funds to the end of February 1989-90.

This fall the 1989 Canada Savings Bond campaign with a coupon of 10.5 per cent generated total sales of $9.3 billion. The net amount raised in the campaign, after taking account of CSBs which matured in 1989 and other maturities which were redeemed during the campaign, was $3.1 billion.

In closing, I would like to remind hon. members that they have all the necessary information before them to deal with this bill. The bill is related to the borrowing requirements set out in the budget and the Estimates which have been tabled in the House.

[*Translation*]

Thank you, Madam Speaker, and I hope that the hon. member for Kingston and the Islands (Mr. Milliken) and other members of the opposition will help expedite the passage of this bill through the House.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I listened to the minister with great care. As he mentioned, every item of expenditure of the Government of Canada falls under the public accounts of this country. I also noticed that he made some more projections, as the finance minister often has a habit of doing. We will talk about that later.

As he said, Bill C-65 would give the government the authority to borrow up to $25.5 billion during the coming fiscal year to cover its budgetary deficit. Projected financial requirements look as if they are about $21 billion.

In its role as the supreme authority in Canada—that is this government—in matters relating to the raising and dispersing of funds on behalf of the Crown, Parliament is regularly requested to grant authority to the Minister of Finance to raise money under the Financial Administration Act by way of loan or by the issue and sale of securities of Canada in the words of each bill forming such a request.

Having stated that, it is very important to put on the record today in this borrowing bill debate just what kind of financial management this government has had since taking office. We know that at the end of March 1984 the national debt of this country stood at $160 billion. Today, after five years plus with this government, the national debt of this country stands at $351 billion. This is financial management from a government that stated it was going to cut the deficit and get the finances of this country under control. The fact is that they have sky-rocketed every year that this government has been in office.

Let us take a look at this. I do not like to say things like that without being able to back them up.

This government borrowed $7.3 billion during the period 1984-85 to the end of the fiscal year of March 1985. Let us go to 1985-86 when this government borrowed $12 billion. If we go back to 1984 and 1985, the

government borrowed $24.55 billion. Some of that money belonged to the previous administration and some was overlapping into the next administration. In 1985–86 this government borrowed another $18.2 billion.

I want to remind you, Madam Speaker, that this comes from a government that said it was going to cut the deficit of this country and get the finances under control. The Minister of Finance said in August 1984 that he was not going to raise taxes to do this. He was simply going to cut government programs. That shows how much he understood about government then and he obviously has not learned a great deal since.

In 1986–87 this government borrowed $22.6 billion. Then again in 1986–87 it borrowed $3.6 billion and in addition to that in 1987–88 it borrowed $24.3 billion. In 1988–89 it borrowed $25.3 billion. In 1989–90 it borrowed $750 million. Today the government is asking for another $25.5 billion. All this totals approximately $190 billion. This from a government that was going to show a great example of financial management. That is what the government said to Canadians in 1984. The Minister of Finance is still in dream–land. He has still not learned what is going on around him, because he still says he is going to do it. I will have a little more to say about those figures later on.

The government is passing its debt. The government has learned one thing, and that is how to pass its debt. It has learned how to pass its responsibilities for government. It has learned how to pass the buck to provincial and municipal governments. That is the one thing it has learned.

In 1982 the Minister of Finance thought that the federal government should not reduce its deficit on the backs of the provinces. That was in 1982, when he was sitting over here in the opposition. He said this, and I quote: "Let us not make hospitals, universities and colleges a battleground between the federal government and the provincial governments". He also said that consultations were imperative before there were any budget cuts. We know what has happened to consultation under this government.

In August 1989 the Prime Minister said—and this is rather ironic because this was a statement of the Prime Minister of Canada—and I quote:

> This government will carry its fair share of the burden to ensure that all young Canadians receive a first–class education as they confront a world–class challenge.

Instead the Prime Minister has confronted young people of this country with a first–class challenge, because we all know that in the recent budget the Minister of Finance has cut drastically funds to the provinces for post–secondary education and medicare.

The cuts or the freezing of federal spending in transfer payments or Established Programs Financing indicate that it is only a matter of time before Ottawa will no longer pay a single cent for medicare or higher education in any of the provinces. That is what we have under this government. That, Madam Speaker, is why this government must be changed. This would result in Ottawa losing its ability to enforce minimum standards of accessibility and equity in two of Canada's most vital social policy areas, namely, education and medicare.

• (1230)

This government is famous for passing costs back to the provinces, and in effect putting the onus right down to the individual taxpayers who will end up with the expense. Provincial taxes will increase to make up for the cuts in the transfer payments to the provinces. I know you will not believe this, Madam Speaker, because you are a lady with a very fine and kind heart, but the cuts in transfer payments to the provinces equal $576 per taxpayer over the next five years.

The Unemployment Insurance Commission was originally transferred to the federal government in order to ease the financial burdens of the provinces and the municipalities, many of which went broke during the Depression years of the early thirties. The Rowell–Sirois commission report that followed stated that its financial proposals were designed to enable every province of Canada to rely on having sufficient revenue at its command to carry out the functions entrusted to it.

When they transferred the burden of the unemployed from the provincial and the municipal governments over to the federal Government of Canada they made the

stipulation that "the assumption of responsibility by the Dominion for the relief of aid of unemployed employables would entail complete financial responsibility".

That is the recommendation that was made and accepted by the Mackenzie King government in August when Royal Assent was given to the bill amending the Constitution to transfer the unemployment insurance programs to the federal government. That was the commitment that was made by the then Liberal government and today we have a Tory government here in Ottawa that is reneging on the entire deal and reneging on the very Constitution of this country. It is transferring all those expenditures for the UIC fund over to the individuals and private enterprise. The Tories are the great promoters of private enterprise.

Let us talk about broken promises. I do not want to spend too much time on that because I would be here all day. The Prime Minister is on record as saying he would not pay off the deficit by attacking social programs. The Prime Minister and the former Minister of National Health and Welfare promised to maintain over-all social spending by not using social program funds to reduce the deficit, and promised they would maintain the universality of programs for seniors and families. Such promises are now a thing of the past. Universality, as a key principle of government, is dead.

The Minister of Finance and the Prime Minister called the Leader of the Opposition, the right hon. member for Vancouver Quadra, the leader of the Liberal party, a liar during the last election campaign for saying that Canada's social and regional development programs would be eroded after the election. Since the election the government has done the following: clawed back seniors old age pensions and family allowances, cut VIA Rail which is a regional development tool, withdrawn from the unemployment insurance program and cut benefits, and scrapped its promised child care program. Do you remember how carefully it fine tuned that child care program that it was going to bring forward in this Parliament? It fine tuned it until the election was over and then dropped it like a hot potato. The government cut transfer payments to the provinces for health care and post-secondary education by $7.464 billion over the next five years.

We all know that famous quote of the Prime Minister: "Pensions are a sacred trust never to be tampered with". Since then he has attempted to deindex old age pensions and he is now trying to claw back senior citizens' pensions.

I want this quote to be very carefully attributed: "We would cut spending. We would not raise taxes. Tax levels in Canada are already too high". Now, who do you suppose said that? That was stated by the Minister of Finance on March 6, 1984. What a transition. Since 1984 taxes have been increased 31 times. That is not counting the pending GST.

Federal tax revenues have increased by $48 billion since 1984. But the Minister of Finance said he was not going to raise taxes. He was going to cut the deficit by cutting government programs. It was simple back then in 1984. After all these measures the deficit is still out of control. You know that song, where has all the money gone?

I think this is a fine tribute to the judgment of the present Minister of Finance. On May 23, 1985, he stated the following: "Our actions will directly reduce the annual deficit at the end of the decade by more than $20 billion, down to $18 billion". We are now at the end of the decade and his own finance department has informed us that the deficit stands at $30.5 billion. Not bad for the Minister of Finance. He only missed his target by $12.5 billion.

He went on to say: "Our challenge in 1984 was to restore fiscal stability and rebuild credibility in the management of government finances. The only way to do that was to set out a medium term fiscal plan with sustained deficit reduction and then hold to that plan". This is exactly what he did. I suppose Ronald Reagan or Margaret Thatcher could easily deliver the same statement. But the fact is he has held to this great plan. What are the results? His deficit has grown larger in the last three years alone.

Let me cite the following: "It took over one hundred years; from Sir John A. Macdonald to Lester B. Pearson, to accumulate a federal debt of $18 billion," including two world wars that had to be paid for. "By next April that debt will have reached $180 billion. Despite a decade of rhetoric about fiscal responsibility, this government now borrows over $20 billion a year just to meet its interest payments".

That is what the Prime Minister said on March 22, 1984. He said it took over one hundred years, from Sir John A. Macdonald to Lester B. Pearson, to accumulate a federal debt of $18 billion. He has outdone all of them. In the last five years he can boast that he has raised the

national debt of Canada by $190 billion. He deserves an Oscar award, Madam Speaker.

This is the kind of rhetoric we have been listening to in the House of Commons every day. When our present leader of the Liberal party delivered a speech in this House on March 6, he really focused on one of the key issues.

• (1240)

He said: "We should focus more and more of our attention and resources on long-term investment in people, education, literacy and the upgrading of skills". That means the federal government would maintain its credibility with the provinces, its respectability with the people of Canada and invest in those people by putting money into post-secondary education and training programs. The budget we have just had does exactly the opposite.

I will quote one more statement then move to another very important issue that I think will deal very heavily with the public accounts of this country in the next decade. This quote comes from none other than the Canadian Chamber of Commerce in its 1990 pre-budget submission. The Chamber of Commerce is a very good friend of the government front benches. The Chamber of Commerce said at that time:

> The staggering federal debt figures prove that the government, despite protestations to the contrary, has failed miserably to address the problem. Virtually every measure it considered unacceptable in 1984 has been surpassed.

The government has even surpassed its own worst predictions. Our poor Minister for International Trade is under great pressure these days. He still has not done anything about the softwood lumber 15 per cent export tax, or small business and industry across this country, to say nothing of the labour in one-industry towns we have in this country.

The Minister for International Trade said: "There will be no changes to the unemployment insurance program". He had been assured of that by the Prime Minister of Canada. Today, those changes are floating back and forth between the Senate and the House of Commons. The bill is somewhere up in the air and it still has to be dealt with. The only way it is going to be dealt with is through a possible conference between the government and the Senate. It is up to the Senate to protect the regions of this country and to protect the people whom this government sees as dispensable because it does not worry about the social programs of this country.

We have all received letters from Canadians about the intolerable statistics in the Public Accounts of Canada. We know how discouraged Canadians are about the actions of the government.

During the election campaign, the leader of the Liberal party told Canadians that the finances of this country were in a far greater mess than the Prime Minister and the Minister of Finance were letting on.

* * *

POINT OF ORDER

ALLOTTED DAYS—SPEAKER'S RULING

Mr. Speaker: I very much hesitate to interrupt the hon. member. I know he will co-operate with the Chair. I know that he will have no difficulty enlarging on the point he just made in subsequent debate. The interruption, of course, will not take any time from the hon. member.

We heard extensive argument this morning on some difficult matters. I felt that in the interest of members on both sides of the House, with respect to what their obligations might have to be tomorrow in this Chamber, I would make a ruling now which will be very short. I will follow it up as soon as I can, in the next day or so, with a very detailed ruling which may assist hon. members on both sides of the House.

My ruling then is this: Friday and Monday must be allotted days. The New Democratic Party has fulfilled the requirements of the Standing Orders to have a vote tomorrow on the motion on notice. As I say, I will return to the House with detailed reasons for this decision so that the reasons will be of assistance to all hon. members.

Having said that, in the interests of the public who is watching, this ruling does not, of course, detract in any way from the capacity of hon. members on both sides of the House to work out some arrangement between themselves which may be satisfactory with respect to tomorrow.

On the narrow procedural point which I have had to decide, and it is a very important one and not particularly easy, that is the decision. Again, perhaps hon. members

knowing this decision will be able to make adjustments for tomorrow, but that is not in my hands.

* * *

BORROWING AUTHORITY ACT, 1990–91

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–65, an act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Resuming debate with the hon. member for Renfrew—Nipissing—Pembroke.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I just want to point out for those who were watching the Speaker's ruling that it shows the government manages the House of Commons about as effectively as it manages the nation. It is into more serious trouble today. It cannot even get its act straight here.

When I sat down, I had been talking about the leader of the Liberal party who, during the election campaign, told the Canadian public that the finances of Canada were in far worse shape than the Prime Minister of Canada and the Minister of Finance were actually telling them. They called him a liar over that, over what he said about regional programs and other things.

After the election campaign was over, the government spent $3 million to tell the Canadian public the same thing that the leader of the Liberal party told them during the election campaign for free. What kind of financial management is that? We have to focus on the deficit but the government is so intent on winning elections at any cost that it does not care what happens. It will change things to its own way after it is all over.

The House will recall the Press Gallery article about the little room for the Prime Minister's make–up closet that had to be fixed up across the street. It was very important for his image.

There was the trip to Costa Rica. Two limousines were flown down for the protection of the Prime Minister. The Secretary of State for External Affairs was very provoked with me when I asked questions in the House about it because he thought I was interfering with the safety of the Prime Minister. I was not. Over here, we are very concerned with the safety of the Prime Minister. We thought that if the government was going to send down two limousines for him to ride around in, the least it could do was to put gasoline in them. What were they going do? Park them out in the parking lot and send him out there to hide until some crisis was over? These are just some of the blunders which turn the Canadian people off.

The National Gallery has committed itself to spend $1.8 million for an 18–foot canvas of red and blue stripes by an American artist. This equals roughly what the government will save by cancelling the funding of women's and natives' groups.

Recently, on International Women's Day, we saw the glossy poster that went across the country. The cost of producing that would have kept one women's centre open for a year.

These are just some examples. I know the Canadian public is sick and tired of the government. It has no credibility left in its finances. They are beginning to wonder whether there is in fact any planning at all in the government.

We all know here that tourism in the 1990s and up to the year 2000 is going to be the biggest industry, not only in Canada but in the world. With eastern Europe opening up the way it is, it will be even greater than the predictions of the last five years.

What great plans is the government making to promote the country and get it ready for that great onslaught of tourists by the year 2000? People should be coming to Canada from all over the world because they have heard so much about Canada.

• (1250)

We are great friends of many countries around this world and we have done many things for them. Our Canadian Forces who have served around the world have been tremendous images of the Canadian personality. They know us through them as well.

We are really laying the groundwork for Tourism 2000 in this country which will mean a lot of earning for many Canadians. The government is planning to bring in the GST for one thing, and the tourist organizations not only in Canada but outside Canada are warning the government about what a disastrous effect this is going to have on tourism in Canada during the nineties and indeed on into the 2000s.

The government cut VIA Rail. If you are going to take visitors across Canada and show them the country and indeed if you are going to show Canadians our country the best thing to do is not cut VIA Rail, break the line, but have a national rail service in this country so people might see something. They might get from one place to another in a way that would appeal to them.

There is another way that this government is really helping to lay the groundwork for the tourist industry of the coming decade. Tourism Canada is one of the greatest little sections of government that we have. It is not very well known to the Canadian public because they do not get the attention they deserve.

Tourism Canada is a group of people working to promote tourism for Canada. Because of their efforts five years ago they had 400 people on staff. With the onslaught coming for tourism and because of the attitude of this government, two years ago Tourism Canada, in preparation for the next decade in this country, was cut down to 150 personnel. In 1990 the government cut them back to 110. They just recently let 17 people go.

In 1991, just to continue this very constructive program to destroy tourism in this country, a further reduction by 8 per cent will take place. In 1992 the government is going to further reduce them by 5 per cent. That is what we are doing to promote one of the greatest developing industries for this country.

While the finances of this country are being mismanaged today by this government, we are hearing all these statements about the fantastic financial management skills of the government and the fantastic results it is achieving. Yet it is hanging up there at $30.5 billion deficit.

I want to reinforce what I said a while ago about the extent of the growth of tourism in the world and in Canada. Whenever we travel abroad or even in Canada, even in business, it is tourism because we do a certain amount of visiting while we are there. We have become part of the 1,500 million people who travel away from their place of residence every year. That number equals almost one-third of the world's population.

We have also contributed to the world-wide spending on tourism which, in 1988, was over $2,000 billion U.S. dollars or $2 trillion, as North Americans would say, if we include spending on transport. If that sounds like a lot of money, it is. It comes to 12 per cent of the world Gross National Product and more than the GNP of any country but the United States. Tourism has become the world's largest industry. As a source of foreign earnings it accounts for 25 per cent to 30 per cent of the world trade in services. That is a fantastic statistic.

That is what we should be planning for today, yet this government in its foresight is cutting Tourism Canada. As of the end of this year it will be down to less than 25 per cent of the personnel of what it was five years ago. Is that management? Is that saving?

People who come to Canada want to do many things. We have tremendous outdoors in this country for people to enjoy. One of the services to many small communities and tourist areas across this country comes from small craft harbours, a small section of the Department of Fisheries and Oceans.

This government has been neglecting small craft harbours ever since it took office. Facilities that were good are deteriorating because they are not being maintained. Some are still non-existent because there is no money to build anything, which means that development is not taking place to pave the way for Tourism 2000. Adding costs of maintenance to facilities just simply wastes money because it costs more in the long run.

As the hon. member for Algoma said when he spoke in this House a few days ago on behalf of his region of Canada, northern Ontario, very few Canadians realize that in Ontario alone, the Ontario and federal governments collect some $300 million annually from fishing tackle, sale of boats, sale of oars, sale of motors, sale of gasoline and other marine supplies that relate to small craft harbours, just to that industry alone.

What do they put back into it? They put $3 million, 1 per cent, back in as an investment for this country. The remainder of that revenue probably helped to buy that $1.8 million article over at the museum. It probably helped to fix the Prime Minister's make-up room behind the National Press Gallery. All these things are very important. It is more important for the Prime Minister to have a make-up room around Parliament Hill and across

Wellington Street than it is to build another harbour facility to promote tourism in this country.

The government has all its priorities wrong. Talking about developing tourism and small business, this government has talked incessantly about high interest rates and has always talked about the previous government. It blames everything on the previous government, but it will run out of those stories one of these days. It is beginning to sound like a worn record.

Just to put the record straight once again, I want to state very clearly that when this government took power in September 1984, interest rates in this country stood at exactly 13 per cent. Today, they stand at 14.25 per cent, the largest real interest rate that we have had in this country for years.

The development and environmental protection of tourist sites is very important. Environment itself is another area where we will have to prepare for Tourism 2000. We will have to protect the natural sites so they are not damaged by tourism.

The environment and the protection of our tourist sites is going to be very important. Environment is going to be a big issue in the 1990s. We hope it is. We do not know what this government is going to do, but we hear all kinds of rumours.

I see my hon. friend over here who has done a lot of work on the environment. He has held conferences and has contributed greatly. I am sure that if the government would only ask him what to do, he could give some very good advice.

The government must pay more attention to the environmental issues of this country. It must pay more attention to tourism and less attention to the silly things that it considers to be important. It must manage the finances of this country in such a way that Canadians are going to have something to look up to, instead of levying 31 tax increases and another massive tax increase pending with the GST as of January 1 of next year, if this goes on—

The Acting Speaker (Mrs. Champagne): We will have to interrupt the hon. member. He may want to conclude his remarks after Question Period.

[*Translation*]

It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HUMAN RIGHTS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I would like to take this opportunity to recognize the presence in our country of Reverend Lazlo Tokes. Mr. Tokes, an ethnic Hungarian Romanian clergyman, is credited with having sparked the downfall of the Ceausescu regime in Romania last December by his defiant stand against ruthless persecution.

We Canadians have followed the events in Romania and have been hopeful that the dramatic changes would have brought about new freedom, hope for justice and peace to the region. The hope persists, but unfortunately we have seen increased persecution of the Hungarian minority in Romania. It is with great sadness and concern that yesterday we watched the clashes between some Romanians and the Hungarian minority, leaving at least six dead and about 300 injured. Such violence threatens the growth of democracy.

I am concerned that while Romania has finally achieved freedom from an inhumane dictator and has set up a provisional government, a truly free and democratic society cannot be achieved without support for human rights. The international community must help to protect the rights of the Hungarians and all citizens in Romania, and I call upon the Canadian government and parliamentarians to use their influence in all ways.

Official Canadian election observers have been requested by both the Romanian and Hungarian governments for the May elections in Romania. I further call on our government to consider Canadian food aid to Romania. Our wish and goal is to see Romania accept a clear and consistent standard of human rights, protection of minority rights, and democracy. Only then will a truly free and just society be achieved.

S. O. 31

[*Translation*]

GLOBE 90 CONFERENCE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I would like to draw the attention of the House to the topics being discussed and major initiatives being taken by the Canadian Council of Environment Ministers meeting this week in Vancouver during the Globe 90 conference.

A national protocol on packaging aimed at a volume reduction of 50 per cent by the year 2000 is one measure that should be welcome to all Canadians.

Subjects such as global warming, intergovernmental co-operation on the environment, a strategy for regulating pulp and paper mills, a national program for cleaning up contaminated areas, management of used tire stockpiles, PCBs and environmental assessments are an indication that Canada is emerging as a real leader in environmental matters, for which all the credit goes to the federal environmental minister and his provincial counterparts.

An hon. member: Hear, hear!

* * *

[*English*]

RACIAL EQUALITY

Mr. Doug Fee (Red Deer): Mr. Speaker, Canadians have a world-wide reputation of being a tolerant and understanding people. Yet that reputation is being challenged by a social problem in Canada today. Racism has the potential to cast a dark shadow upon that reputation. We can no longer rest in our easy chairs and watch television reports about racism, confident that it occurs only in far off lands. It has hit much closer to home and has done so for longer than we care to admit.

Yesterday marked the International Day for the Elimination of Racial Discrimination. I would encourage the people of Canada not to observe just one day, but to continue to work all year to ensure that there are no racial barriers to equality in Canada.

RED CROSS MONTH

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the month of March has been designated as Red Cross Month in Prince Edward Island and across the country. The Red Cross is an organization which has aided communities in water safety, blood donor clinics and disaster assistance.

Prince Edward Island has greatly benefitted from the Red Cross. We can boast of committed individuals like Dr. Iphigenie Arsenault who has devoted over 63 years of service the Red Cross. In 1945, Dr. Evelyn Cudmore began the Water Safety Instruction Program in Prince Edward Island, representing the first program of its kind to take place in Canada outside Toronto. Arthur Love, with the assistance of Dr. Cudmore, began the Small Craft Safety Program in 1971. It was a pilot project which is now a national activity.

I know that all sides of the House join with me in recognizing the Red Cross and commending this organization on the contribution it makes to our communities.

* * *

FORESTRY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, it took a United Nations official to tell Canadians what the government is afraid to say—that Canada is contributing to global warming because of the rapid rate at which we are cutting down our forests.

Gro Brundtland and others have warned that climate change is the biggest single threat facing humanity today. This government endorsed the Brundtland report and likes to talk about sustainable development. Absence of responsible forest management is not sustainable development.

While this government brags about its achievements on the environment and accepts prizes from international organizations with questionable allegiances, we are losing our forests at a rate of 7.5 million acres a year.

The federal government must bring forward a comprehensive strategy on global warming which will include a commitment to careful management of our forests. Such a strategy should include a law banning clear-cutting in

favour of more careful techniques, a national forest inventory and preservation of old growth forests.

The facts are clear. The time is now for the government to listen to Canadians and move swiftly toward a sustainable future.

* * *

MR. JAMES NICHOLAS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I ask you and my colleagues in this House to join me in acclaiming Mr. James Nicholas of Welland, Ontario, who has brought honour to Canada by being elected as the International Secretary of the World Council for Global Co–operation. He was the principal founder of this organization that was established in Toronto in November, 1988.

Some of the world's greatest minds have lent their support to Mr. Nicholas. Eleven Nobel prize winners from ten countries now serve as directors and patrons of the World Council.

The World Council is a follow–up to *An Appeal For Peace* which was written by Mr. James Nicholas and addressed to the youth of the developed world in 1984. The appeal was endorsed by 66 Nobel Laureates from 20 countries. Mr. Nicholson presented the appeal to Mr. Javier Perez de Cuellar, the Secretary–General of the United Nations. Inspired by his words of commendation, the World Council was formally established. Among those present at the founding convention were members of the diplomatic corps from 17 different countries. They represented more than half of humanity.

The Prime Minister of Canada was represented by Senator Richard Doyle. To date 17 international organizations from 15 countries have affiliated themselves with the World Council.

Internationally, Mr. Nicholas' efforts have been successful because his labours have been interpreted as an important Canadian initiative for peace.

[*Translation*]

CHALLENGE 90

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, the Minister of State (Youth) and member for Verchères just announced that students will be able to take out interest–free loans of up to $3,000 to set up a business this summer.

This program is part of a federal initiative called "Challenge 90", sponsored jointly by the Federal Business Development Bank.

Students who are interested can obtain an application form and a copy of the guide at Canada Employment Centres, Canada Employment Centres for Students, the Federal Business Development Bank, the National Bank of Canada, in Quebec, and the Royal Bank.

Mr. Speaker, this is a popular program in this country. The number of loans and the amounts involved have increased annually since the program was set up in 1985 by Canada's Conservative members of Parliament.

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[*English*]

GLOBE 90 CONFERENCE

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I rise in support of the Globe 90 environmental trade conference being held this week in Vancouver.

This is the first time that a conference of this nature has been held. Over 600 exhibitors, leading scientists and parliamentarians are attending this conference which demonstrates the commitment that both the Canadian government and the private sector have towards the protection of the environment.

The elimination of acid rain, stricter pollution controls, cleaning up toxic wastes, tighter auto emission controls, soil conservation, recycling, as well as programs for sustaining agricultural development clearly demonstrate this government's continuing commitment to preserving this great country for generations of Canadians to come.

• (1410)

Initiatives such as these by the government and private industry are putting Canada at the forefront of the environmental protection stage. Globe 90 will be of benefit to all Canadians.

[*Translation*]

MEECH LAKE ACCORD

Mr. Marcel R. Tremblay (Québec–Est): Mr. Speaker, several years ago, Canadians worried about how Quebecers would vote in the referendum, and rightly so. They realized at the time that without Quebec, Canada would be much weaker. Those who were in government at the time, the Trudeaus, Chrétiens and Lalondes, committed themselves, put their seats on the line, and got together with various leading figures to save this country, as they said. Today, somehow, they don't sound the same.

It is now March 22, 1990, and although it doesn't seem that long ago, I have the distinct impression that the situation has changed dramatically.

Would hon. members and the people of Canada please explain what is going on? It looks like a referendum is now being held in Canada, against Quebec.

Mr. Speaker, where is this marvelous country we were going to save? I would urge all Canadians to turn on their television sets this evening at 8:30 and listen to and record the message of the Right Hon. Brian Mulroney, the architect of the Meech Lake Accord.

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[*English*]

TIMMINS AIRPORT

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, in 1988 a much needed expansion project for the Timmins airport was announced by the federal government. The former Transport Minister justified the cost of the expansion because of the size of the city and the amount of airport traffic.

Tenders were opened in April of 1989, but no action has been taken yet. Recently I received a copy of a study commissioned by Transport Canada on the economic impact the Timmins airport has on the local economy. I hope the new Minister of Transport will take the time to read the study and consider the number of jobs created by the Timmins airport, not only in Timmins but also in other regions of Ontario.

The study underlines the pressing need for this expansion to go ahead. It is imperative that this project get approval.

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MICMAC NEWS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it has been my pleasure today to meet with native leaders from Nova Scotia, the editor and the publisher of the *Micmac News*, and Mr. Donald Marshall, who are in town to meet with the Secretary of State to try to convince the Secretary of State to re–establish funding for the *Micmac News* and other publications across this country.

The *Micmac News* has been published for over 20 years. It has a circulation of over 4,800. It has done a tremendous amount of good and has been a source of communication and pride to the Micmac community in Atlantic Canada. It is the only major native newspaper in Atlantic Canada.

This government decided that it wanted to silence the Micmac people. This is just part of the plot of this government that includes doing away with protesters. Protesters are even afraid to hold up signs now in case the National Gallery wants to buy them.

It has to change. We need human rights in this country. This government has to re–establish funding for the *Micmac News*.

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NATIVE COMMUNICATIONS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, over the last couple of years Canadians have repeatedly been shocked to learn that the justice system has failed the aboriginal peoples. I, too, have had the opportunity to meet Donald Marshall. It is difficult, as a proud Canadian, to look at a man who spent that many years in jail without fault.

How can the government now take away the voice of the aboriginal peoples, shut down our newspapers and take our money for communications? That is the unkindest cut. That is something that should not be tolerated in Canada.

I say, on behalf of our native communications people, that we must not continue to target the aboriginal peoples and further victimize them. We do not need any more J. J. Harpers and we do not need any more Donald Marshalls as victims for Canada.

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MEECH LAKE ACCORD

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, tonight the Prime Minister will go on national television to talk to Canadians about the Meech Lake Accord. Like most Canadians, I am anxious to hear what the Prime Minister has to say.

In recent weeks the fate of the Meech Lake Accord has been uncertain. Some have insisted it is doomed. I prefer a more optimistic view of our search for a Constitution that brings Canada together.

As a western Canadian I support the Meech Lake Accord and its commitment to the process of Senate reform. The conditions set out in the accord stipulate that the federal and provincial governments must address the issue of Senate reform. Without a Meech Lake Accord, that commitment is lost.

I support the efforts of the Prime Minister and the premiers to end the current impasse, and hope that all Canadians will be encouraged by the Prime Minister's remarks tonight.

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CORPORATE TAXATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is time once again to choose the corporate welfare bum of the week.

The three nominees which have benefitted from the generous tax breaks provided by Liberal and Conservative governments are Maritime Life, Ocelot Industries and Tridel. Not one of these worthy nominees paid a penny of federal income tax in 1988. Maritime Life had profits of $34 million; Ocelot Industries had a net income of $432 million and Tridel netted $72 million. The three combined had profits of over $500 million but not a single sou in federal income taxes were paid. The GST will not touch these major corporations.

Now for the winner. The envelope please.

The winner is Tridel Corporation. This major real estate developer did not pay income taxes but it did find it in its heart to contribute $29,000 to the Conservative party and $25,000 to the Liberal party as political contributions in 1988.

For remaining loyal to the old adage: "Never bite the hand that feeds you", Tridel is the corporate welfare bum of the week.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): My question is directed to the Deputy Prime Minister.

Canadians are all concerned about the deadlock involving the 1987 constitutional amendments and our uncertain constitutional future. We know that this evening, the Prime Minister will be heard on our national televison network.

I want to ask the Deputy Prime Minister whether in his speech this evening, the Prime Minister of Canada will announce any new initiatives to break this constitutional deadlock.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think it is fair to say that the initiative that was taken by Premier McKenna of New Brunswick has been a very positive development in this whole exercise.

It is fair to say that generally there has been a positive response because it really, in effect, provides an opportunity for the passage of Meech Lake without taking anything away while, at the same time, providing an opportunity for additions to be made.

With that in mind, and the fact that the premier has indicated that he in no way felt that this was a complete solution to the impasse, it does provide the opportunity for the other dissenting premiers to look at the proposal in a very serious vein and, hopefully, to examine it in such a way that it can add to the constructive position that has been put forth and result, hopefully, in a

ratification of the accord together with any refinements that may be achieved through a parallel structure.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, all Canadians welcome proposals to solve the ongoing constitutional impasse.

The first obligation, in our view, of the Prime Minister is to share with the House of Commons any new initiative he may take to assist in solving this crisis.

How does the government intend to live up to the longstanding British parliamentary system tradition of coming to the House of Commons and presenting to the elected members of the House the proposals that are to be put to solve such an important constitutional crisis?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not sure whether the hon. member is suggesting that the Prime Minister should not engage in a discussion of this importance with the people of Canada.

I think that the precedent for a Prime Minister speaking to Canadians at large has been well established by previous Prime Ministers. I know a previous Prime Minister spoke on television to the Canadian people on many occasions of national importance. The Prime Minister, in no way, has evaded the House of Commons on this very important issue and he has no intention of evading the House of Commons on this issue today.

• (1420)

Clearly, if there any initiatives that will be taken, they will be brought before the House of Commons and members of the House of Commons will have a full opportunity to respond and debate the issue as we think it should be.

It is fair to say that the Prime Minister has been here in the House of Commons debating the Meech Lake issue and responding to questions whenever the opposition wanted to ask questions about it. I am sure that what will take place today will add to the constructive progress that has been initiated. I am sure there will be lots of opportunity for debating this very important issue in the days to come in the House of Commons.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I do not have to remind the Deputy Prime Minister that we live in a parliamentary democracy, not a presidential system. We would appreciate it very much if some mechanism were put in place for members of Parliament to be consulted on this question.

[*Translation*]

Mr. Speaker, yesterday the Prime Minister told us he would respond to the McKenna proposal on televison. He has had time to analyse the proposal made by the Premier of New Brunswick and any proposals made by other provincial Premiers. Could the Deputy Prime Minister inform the House whether the Prime Minister intends to call a meeting of provincial Premiers, to invite them to sit around the table and discuss this issue, with a view to finding a solution to our constitutional dilemma?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I really regret that the hon. member, for whom I have a lot of respect, would want to engage in a partisan debate about whether or not the Prime Minister should speak on national television.

A former Prime Minister of this country, as I recall, spoke on national television on probably six or seven occasions. He spoke on the 6 and 5 proposal, on the constitutional proposal and the War Measures Act.

I find it rather strange for the hon. member to suggest that the Prime Minister should not take the opportunity to communicate directly with Canadians. He has discussed this issue, defended it and debated it on the floor of the House of Commons on numerous occasions.

As to what he will do, I am sure the hon. member will be delighted that what he probably intends to do tonight is advance the progress based upon the initiative of Mr. McKenna. Hopefully that can help us move toward unlocking the log-jam, at which time we will also call upon the support and co-operation of all hon. members, including the hon. member who posed the question.

BROADCASTING ACT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, yesterday I asked why building national unity for this diverse, bilingual, multicultural, multiracial country was not a worthy goal. In particular, I asked why national unity is now to be excluded from the new Broadcasting Act.

In response, the government said that "national unity mandates for broadcasters exist only in totalitarian regimes like South Africa and are not appropriate for democracies like Canada."

My question is for the Deputy Prime Minister. As national unity has been part of the CBC mandate since 1968, is it this government's view that we have not had democracy in the last 22 years, and in particular in the last six years of the Tory government? Is that what the government means by removing the national unity clause?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I reminded the hon. member yesterday that she had voted for this particular change. The change was made in the original bill, Bill C–136, which was before this House in 1988. I have not had the opportunity to check the voting record, but I believe the hon. member supported the change at that time.

There has been a tremendous amount of criticism of the presence of such a clause in the bill. Among those who have criticized it have been many civil libertarians across this country who regard it as appropriate to a regime that controls its media. We have an arm's length relationship with the publicly owned broadcasting corporation and that will be maintained.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, freedom of expression has never been interfered with. It is guaranteed under the Charter of Rights of this country. I did call for change. Change has taken place in this country. When there is a mood change in the country I think the role of the government is to respond to that mood change.

Will the government tell Canadians why, in its new broadcasting bill, it establishes two separate standing committees at the CBC, one on English language broadcasting and the other on French language broadcasting, creating two Canadas within the CBC? Why is the government undermining a vision of a united Canada? What is wrong with Canada? Why can't government help it grow?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the proposal to have standing committees of the CBC board to deal with the problems of French and English broadcasting is a very constructive move toward national unity.

I would draw to the hon. member's attention the wonderful program that appeared just a few nights ago. There was a combined broadcast of *Le Point* and *The Journal* on which national unity issues were discussed.

It is to try to find the devices to bridge the two solitudes in this country that the proposal to establish the two standing committees of the one board of the CBC under CBC by-laws is in the legislation.

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AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the Minister of Agriculture knows that there have been serious design flaws in the Canadian Crop Drought Assistance Program, flaws which resulted in prairie producers getting bills of $1,200 to $2,000 and demands for immediate payment. The minister knows that the Minister of State for Grains and Oilseeds recently signed a letter to producers in Saskatchewan explaining that they have no course but to pay up and thank the government for the good job that it has been doing.

How can the Minister of Agriculture justify sending bills to prairie producers when what they really need is assistance? Will he immediately withdraw this demand for payment and ask his government to properly address the immediate financial concerns of prairie producers?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, if the hon. member has any specific cases in mind I would be pleased to look into them.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on Tuesday the Legislature in Saskatchewan unanimously supported an emergency resolution calling on this government to provide up to $900 million for cash starved Saskatchewan producers.

Is the Minister of Agriculture prepared today to stand in this House and accept this cry for help that he has now received from every single elected MLA in the province of Saskatchewan? When will the minister accept the fact that there is a serious agricultural crisis on the prairies?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I indicated to the House a couple of days ago and again last week, the deputy ministers of agriculture have been meeting this week and working on the design of a program that hopefully would go some distance in meeting some of the problems of the grain and oilseeds sector and agriculture in general, particularly with respect to the province of Saskatchewan.

That work is ongoing in close co-operation with the provinces and we hope that in the near future we will be able to make some positive announcements.

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POST-SECONDARY EDUCATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Finance but in his absence I will direct it to the Deputy Prime Minister.

[*Translation*]

This government's unprecedented attacks against students and education have had the desired effect.

After cutbacks totalling $7 billion in transfer payments to Quebec for health and education over a period of nine years, after the other attacks against students in Quebec, the province is now facing tuition fees that are twice as high. Today, Quebec students are demonstrating against these attacks.

How can the minister afford to threaten the future of our country by destroying our system of postsecondary education? What justification is there for this policy?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, the Hon. Member will probably be disappointed to learn that we are increasing our transfer payments to Quebec, not decreasing them.

Next year, under our programs, our transfer payments to Quebec will exceed over $10.3 billion. Of course, in the global management of our budget, we have to consider our expenditures as a whole. We find that, as a Government, we have kept our increase in expenditures at 3.5 per cent over the past five years, while several provinces have increased theirs by as much as 10, 14 or even 17 per cent. We must therefore make sure that everybody share in the effort to reduce the deficit.

* * *

• (1430)

[*English*]

GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, I would personally like to thank all the government members who called the anti-GST Liberal line last week, including the Minister of Finance.

Some hon. members: Oh, oh!

Mr. Fontana: The government has spent millions of taxpayers' dollars to advertise the GST. It has gone to the expense of setting up a 1-800 information line.

But what do Canadians get when they call that line? The Toronto Homebuilders' Association called for information 20 times. The answers were incomplete and incorrect 75 per cent of the time. The government line gave correct information only five out of 20 times.

I want to ask the Deputy Prime Minister this. If the 1-800 GST number is not an information line, what is it, a Tory advertising line paid for by taxpayers?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would suggest that the hon. member and his colleagues on that side of the House make use of that number more often.

Some hon. members: Hear, hear!

Mr. Loiselle: When I listen to their interpretation of the GST, I am also tempted to be against it, but when I look at the real project I am all in favour of it.

Mr. Joe Fontana (London East): Mr. Speaker, Canadians are using the lines, but the people who are answering the lines are giving out wrong information.

Canadians who are thinking of buying a new home today are calling the 1–800 number for information that will affect their decision to buy. The information that is being given out is incomplete and could cost a homeowner thousands of dollars.

Will the minister be honest with the people of Canada? Will he ensure that this 1–800 propaganda line will accurately tell Canadians of the thousands of dollars that they will pay for new homes because of this anti–housing tax called the GST?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to tell the hon. gentleman that the people who are answering the calls to this line are thoroughly professional civil servants. They have studied the technical papers available, something that hon. members on that side of the House have not done.

Of course we look at their answers. We receive reports every day of the questions asked. We are sure they are professional answers.

Some hon. members: Hear, hear!

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Deputy Prime Minister.

In the last session of Parliament, veterinary drug manufacturers were literally forced into complying with the Patent Act under which the whole pharmaceutical industry is regulated and under which no differentiation is made between human and veterinary pharmaceuticals. Nor has any differentiation been made between the two under the Excise Tax Act or under the Food and Drugs Act.

Now, under the proposed GST, human pharmaceuticals are zero rated while veterinary ones will be taxed. How can the minister possibly justify these contradictions?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to apologize to the hon. lady. The way she started her question, I failed to listen to the end of it.

Mr. Speaker: Perhaps I can extend the minister's apologies. The hon. member could put her question again.

Mrs. Gaffney: Thank you, Mr. Speaker. It just goes to show you that the members of the government are not listening to the people.

Mr. Andre: They should get to their questions. Stop giving preambles and ask the questions.

Mr. Turner (Vancouver Quadra): Meet the new surrogate Speaker right here.

Mr. Speaker: I am always prepared to co–operate with hon. members if they want to change the rules, but the hon. member for Nepean has the floor.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I think it is necessary to go through the preamble because otherwise he is going to miss the question.

In the last parliamentary session veterinary drug manufacturers were literally forced into complying with the Patent Act under which the whole pharmaceutical industry is regulated and under which no differentiation is made between human and veterinary pharmaceuticals. Nor has any differentiation been made between the two under the Excise Tax Act or under the Food and Drugs Act.

The question is—

Some hon. members: Hear, hear!

Mrs. Gaffney: —under the proposed GST human pharmaceuticals are zero rated while veterinary ones are taxed. How can the minister possibly justify these contradictions?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, our decision is consistent with the decisions we have taken throughout, to make sure that our reform is very attentive to the needs of the population of Canada. Obviously, we have had to make some choices. I think the hon. member will understand why we made them.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, that was a non answer.

Some hon. members: Oh, oh!

Mr. Speaker: The hon. member will put her question.

Mrs. Gaffney: The Canadian Veterinary Medical Association estimates small animal health care costs will increase as high as 12 per cent because of the GST.

Given that animal control programs will face a dramatic setback, and given that we will see a decrease in health care provided to small animals, how can the minister possibly justify jeopardizing not only the care of animals, but ultimately humans, just because he wants to grab more money for the government kitty?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I will resist the temptation to tell the hon. member that I am very caring about her particular problem because I happen to be the owner of a very nice animal. But that is not the point.

What she fails to take into account is the fact that all the inputs presently paid by the veterinarians will no longer be paid after the GST is implemented. This will constitute a considerable diminution of the prices.

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LITHUANIA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. It has to do with the growing tension in Lithuania and concern over the demand by Mr. Gorbachev that Lithuanians surrender their arms within a given period of time.

It seems to me that this image which is being portrayed of the Lithuanian people is as a violent people who need to be disarmed by the Soviet Union. The Lithuanians have come a long way in their struggle for independence in a remarkably non-violent way through free and fair elections, through the declaration of a freely and fairly elected parliament, et cetera, and with absolutely no violence whatsoever.

• (1440)

I would hope that the Secretary of State for External Affairs, on behalf of the Government of Canada, would be able to reject this view of the Lithuanian people as a people who are seeking to exert some sort of violence over their own destiny, rather than pursuing it in the democratic way that they have up until now and in which they intend to proceed doing so.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the House would agree with two things. The first is, as the hon. member has said, there has been a remarkable demonstration of a dedication to a peaceful and democratic means on the part of the people of Lithuania.

Second, the House would believe that the Soviet Union should recognize that and reflect that realization in its actions.

We are concerned about the pressures that the Soviet Union is placing upon Lithuania. We have called in the Ambassador of the Soviet Union on various occasions. I welcome the opportunity the member has provided me to convey that view publicly to the Soviet Union. I think I speak the views of the whole House. I will follow it up in correspondence to Mr. Shevardnadze with whom I have already been in touch respecting this matter.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, part of the problem, it seems to me, is that the Lithuanian Parliament feels that in order to gain the international recognition that it seeks, it has to put in place not only these *de jure* declarations of independence, but also *de facto* signs of independence, like border patrols and customs, et cetera. It seems to me that these are part of the problem in terms of the negotiations with the Soviet Union about how to realize independence.

Is the Secretary of State for External Affairs, either within the Government of Canada itself or in consultation with other members of the international community, looking at ways to convey the recognition of the independence process in Lithuania in a way that does not have to wait entirely for all these *de facto* signs of independence to be displayed? It seems to me that those things are part of the problem in reaching that very independence.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a very interesting suggestion and one that I would follow.

Given the non-partisan nature of these discussions on this matter in the House, it might be useful if I could have the benefit of the views of members of the three-party committee who travelled to Lithuania, as well as the members of the standing committee with whom I would consult informally with regard to practical initiatives that Canada might follow to this end.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of State (Small businesses and Tourism). In the brief sent to the Quebec MPs in Ottawa by the *Conseil du patronat du Québec* they expresses great concern about the economic impact of the GST, its administrative complexity and its high costs

for small businesses. Will the Minister of State (Small Businesses) ask his colleague the Minister of Finance to increase the assistance to small businesses, as requested by the *Conseil du patronat du Québec*?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to say to the hon. member that the small business community is now starting to understand the tremendous advantages of the GST for cash flow. On the question of cash flow, the input tax credits will mean that service businesses, as well as manufacturing businesses, will have sources of cash flow more instantly than they have under the present manufacturers' sales tax.

More important, we are going to have a streamlined accounting system, special deductions under the capital cost allowance to put in new equipment, and Revenue Canada task forces helping the small business community take advantage of the GST. This is all good news. The small business community of Canada is starting to recognize this and support it.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, it proves that the minister is not talking to small business people.

[*Translation*]

Mr. Speaker, I have a supplementary question. The *Conseil du patronat du Québec* also stated in their brief that the one-time $1,000 credit is quite inadequate to compensate small businesses for the administrative costs they will incur while applying the GST. Once and for all, will the Minister listen to small businesses and provide them with the necessary assistance to face the administrative nightmare resulting from the GST?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Minister of Finance has been careful to listen to the small business community on this. In fact, when he made his changes to the GST, they reflected further the listening that he and the government have done.

We have the $1,000 administration fee. We have the changes in the capital cost allowance. We have the streamlined accounting. We have the rebate for the accommodation industry. We have change after change.

Some of them seem small but they are very important to the small business community. As a result of that we have been listening and we will continue to listen.

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FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries and Oceans who has been saying, along with the offshore fish companies, that the crisis in the Atlantic fishery is one of too many fishermen chasing too few fish.

The trawlermen who work the offshore vessels have a different story. When the minister met recently in Canso with the trawlermen on National Seas' offshore vessels, they provided him with evidence, including photographs, of large quantities of fish being dumped at sea.

Can the minister tell the House what he has done since that meeting to investigate this potentially devastating information?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, as soon as I was provided with that information by the trawlermen, I asked officials in the department about the situation of the fish stock. What the member has to acknowledge here is that the issue is whether there is a lot of fish or not enough.

There are divergent views on the stock. I invite the hon. member to talk with the fishermen in South West Nova and in all of Atlantic Canada to check their catch rate. I think the hon. member will have his answer.

[*Translation*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am not sure the minister understood my question. It concerned Canso trawler fishermen who said that huge quantities of fish are unloaded on the high seas.

I want to ask the Minister of Fisheries what he intends to do to look into this potentially devastating situation.

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): What I intend to do, Mr. Speaker, is to set up mechanisms to make sure that neither along the coasts nor on the high seas will people be allowed to unload fish into the ocean, as some people claim this is being done. This is why we have introduced the observers program to prevent such situations. I am prepared to work closely with the fishermen to make sure that this kind of activities will not happen again in the future.

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[*English*]

FINANCE COMMITTEE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in the absence of the chairman of the finance committee my question is for the government House Leader.

I am not sure if the government House Leader is aware that on Monday and Tuesday of this week many people requested to be heard on the GST before the committee. The chairman's fax machine was working overtime.

I want to ask the government House leader this. In light of the offer by the chairman of the finance committee, and I quote: "I would be delighted to resign as chairman if that is necessary", can the government House leader now assure the House that the finance committee will be reactivated under a new chairman so that all of these Canadians and many thousands of others can be heard on this very important piece of tax legislation, the GST? Will the committee chairman resign?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, for many weeks and months efforts were made to get the New Democratic Party to co-operate with a reasonable procedure that would allow these people to be heard, allow the bill to be discussed in detail and allow the committee to reach a decision. The New Democrats refused to co-operate with any such effort. Indeed, they are on record as saying they will do everything possible to prevent a decision ever being made by the committee.

Those people were not heard because the New Democratic Party engaged in a 31-hour filibuster which was very entertaining but not too illuminating.

If the hon. member for Yorkton—Melville is suggesting that perhaps we start behaving rationally like mature adults and discuss a procedure for reaching a satisfactory and proper conclusion, I welcome that change. Let us discuss it.

• (1450)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the person who was irresponsible, bullheaded and stubborn was the chairman of the finance committee, and the minister knows that.

We have had requests coming in from dozens and dozens and dozens—in fact hundreds—of people across the country to be heard. If he will not reconstitute the committee under a new chairman, whoever that may be, then just how does he propose to let the Canadian people to be heard on the GST?

They want to be heard. They are against the tax. The provinces are against the tax. Small businesses are against the tax. They do not want it. Why not reconstitute the committee? Why not select a new chairman and let the people be heard? Why are you so anti-democratic in this House?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the hon. member knows, under parliamentary reform brought in by this government, the committees are masters of their own fate. The chairman is elected by the committee.

Mr. Rodriguez: You used jackboots.

Mr. Andre: In fact, were I to issue the kinds of instructions he is asking me to issue, I would undoubtedly be found in contempt. The hon. member would be the first to raise a point of privilege.

Mr. Peterson: It never stopped you before.

Mr. Andre: There is one way in which things can be done in a mature, adult fashion, and that is for the New Democrats to start behaving like mature adults.

Some hon. members: Hear, hear!

Some hon. members: Oh, oh!

[*Translation*]

FORESTRY DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Forestry. The Canada-Quebec forest development subsidiary agreement is due to expire on March 31, 1990.

Can the minister tell us whether he intends to renew this agreement and whether he will promote private woodlots, keeping in mind that there are 120,000 private woodlot owners in Quebec and that they supply 21 per cent of lumber used in processing plants?

[*English*]

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, it is true that the agreement on forest renewal is expiring at the end of this fiscal year, and we can point to very impressive results. Naturally, we would be inclined to renew the agreement as expeditiously as possible.

The federal government has always emphasized the restoration and the promotion of private woodlots, and support for the owners of private woodlots as a means of improving and enlarging the wood inventory, not only in the Province of Quebec but throughout Canada. That would be the emphasis we would place on a new agreement as well.

* * *

ETHIOPIA

Mr. Girve Fretz (Erie): Mr. Speaker, my question is for the Secretary of State for External Affairs.

I would like to ask the minister what is the role for Canada regarding the war in Ethiopia. There are millions of people who are suffering as a result of the war. Are there any initiatives being taken by Canada to speak to each of the sides in the war to bring a resolution to problems that have existed there for decades?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada, along with other countries, has been seeking any means open to us to try to influence that situation, so far without success. We are continuing those efforts.

One initiative that has been undertaken as a result of an informal meeting of members of all parties of this House interested in the proposal, is that we are exploring the possibility of putting together a delegation of parliamentarians from the Parliaments of Canada, the United States, the Soviet Union and Italy to see if they might be able to have some impact on the situation.

The informal committee of parliamentarians that met here suggested that I ask the hon. member for Rosedale, who was a former ambassador to Ethiopia, to undertake that action on behalf of Canada. He has been in touch with the chairman of the United States congressional committee on hunger and is in touch with representatives of both the Soviet Union and Italy.

We hope that group can be formed and that it might have some success in an area where governments so far have been unable to achieve a breakthrough.

* * *

THE ENVIRONMENT

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question either for the Deputy Prime Minister or maybe the minister from Newfoundland.

I wrote their colleague, the Minister of Energy, a few days ago to alert him to the environmental and economic time bomb which is ticking away off the Newfoundland coast where PetroCan is doing wildcat exploration without the benefit of a back-up rig to drill a relief well in the event of a blow out, and without any capability to clean up the mess if it does occur.

An oil industry report today confirms the worst fears that I stated in that letter. I want to ask the minister this. What guarantee can the government give us that the richest fishing grounds in the north Atlantic will not be wiped out, will not be at undue risk by the current situation as I have described it?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, if you will permit me to answer on behalf of the Minister of the Environment on this particular issue, the licences and the approvals for drilling offshore Newfoundland and off the east coast are managed by the Canada-Newfoundland Offshore Petroleum Board.

Any contingency plans, safety measures, or requirement on the company to provide guarantees that the best possible technology is used and the best possible plans are in place to mitigate against such disasters are part of the licensing and the approval arrangement. Every possible precaution is being taken.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I thank the acting minister, the Minister of Forestry.

That is the answer in front of him. He read it well, but the reality is something different. The reality is that a report today by the Canadian Independent Petroleum Association says that we are at risk out there.

There is a rig out there doing wildcat exploration and nothing out there to drill a relief well in the event of a blow out.

I am asking the minister not to hide behind the licensing regulations. I am asking him what he is going to do if the worse comes to worse today, and our fishing grounds are at risk and we have a wholesale, environmental and economic mess on our hands. What then? That letter he just read from? What action will the government take in that case? What action is it taking now to prevent that from happening?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I did not read from any letter. I just read from a document that is a press release from which I assume the hon. member got his information.

Mr. Simmons: No. I wrote the minister a week ago.

Mr. Oberle: My information stems from the regulations, the guidelines and the procedures that are in place, agreed to by the industry to mitigate against such potential disaster.

What the hon. member wants to take into consideration is that we still consider offshore development as one of the major initiatives of this government, in co-operation with the Atlantic provinces, one that has the potential to significantly improve the economy of that area. If the hon. member would suggest that we shut down all of these developments in that area to eliminate absolutely all the risks that are always associated with situations like that, then let him say so.

Mr. Speaker: The hon. member for Willowdale. Keeping in mind the time I would ask that the questions be direct.

* * *

[*Translation*]

FINANCIAL INSTITUTIONS

Mr. Jim Peterson (Willowdale): Mr. Speaker, the Minister of State told the House, "We follow the guidelines." But, Mr. Speaker, he followed only four of the nine guidelines. My question is: How many other foreign banking companies will you license and give the special treatment you gave to American Express?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to repeat that we have not given American Express special treatment. For three years we discussed with them how to bring them under the rules governing banks in Canada. We are dealing here with a company that is already in Canada, is 90 per cent in the financial sector and competes with our banks but is completely unregulated. We thought that if there were a way to bring them under our rules, we could do so. And we had discussions with them for three years. We set guidelines. We asked them to withdraw from some sectors and we have now solved this problem under the Bank Act.

Mr. Speaker: A very, very short supplementary question.

[*English*]

Mr. Jim Peterson (Willowdale): Mr. Speaker, we have this problem for American Express, but let us get specific. There are other companies doing business in Canada that are in the same position as American Express, major financial institutions such as GMAC, General Electric, Sears-Roebuck and Ford Credit.

• (1500)

What is the minister going to say when these companies come knocking on his door and ask for the same treatment that American Express got? Is he going to say: "Welcome, you don't meet our guidelines but neither did American Express"? Or, is he going to say: "I am sorry, the door is closed. We admit now that we made a one-time sweetheart deal for American Express, the special friend of the Mulroney government"?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, since they have not asked us anything I do not know what I would say.

I would be tempted to tell them that they are not primarily a financial institution, but a commercial organization that has grown into some financial activity. I would be tempted to tell them that they are not widely owned like American Express, that they are not publicly traded in some instances and therefore that in my view at this time they would not be acceptable.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I would like to ask the government House leader what business he has in mind for the new few days, possibly leading up to next Thursday.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I will try to answer that question, but it becomes increasingly difficult. In trying to project the business for the week it is based on certain assumptions as to what members of the opposition tell us and what the Standing Orders say. I found out that words can be changed rather quickly in the Standing Orders with respect to notice or notice for the bureaucrats at the table and not notice for the House.

With those caveats, let me say that it appears that tomorrow and Monday will be opposition days, with Monday being the last allotted day. On Tuesday, we may return to second reading of Bill C-65, if it is not passed today. Alternatively, we could call Bill C-69, which is the bill dealing with restraint, for second reading.

My priorities for the rest of this month are Bill C-51, the Income Tax Act amendments and Bill C-26, the Railway Act amendments from the budget of last year. We will have to get together and send another message to those ladies and gentlemen in the other place who will not accept the will of the majority of elected representatives. That is the best I can do at this point in time.

Mr. Gauthier: That is more than I bargained for or expected. Basically we have a program for possibly a month here. The House leader and I know that in this period there are two remaining opposition days. It is not his fault or mine, but that is the way the cookie crumbles in terms of opposition days. Whether or not he likes it, that is the way it is going to be tomorrow and Monday.

On Tuesday, I take it that Bill C-65 will be the order of the day. The hon. minister said he hoped or was not sure, but I would like to have some kind of assurance from him. Indeed he cannot say that we have not kept our word. When I have given my word to him, I have kept it.

For the sake of good planning and because of the necessity of getting our people ready for good debate, I would like to ask him to confirm that on Tuesday we will be debating Bill C-65.

Mr. Andre: Let me say very clearly and absolutely that the hon. member for Ottawa—Vanier has never gone back on his word and has recognized that the proper way to conduct business is for us to discuss these matters and for people to keep their word. I apologize, without reservation, if I left that impression.

The fundamental problem is that I had assumed that 48 hours' notice meant 48 hours' notice to me, but apparently it only means 48 hours to the bureaucrats. That caused our plans to be disrupted. We will have to find some way of having the Standing Orders reflect information to the House.

In any event I would like to assure that it is my intention. The reason for the word "may" is so that I am not accused of breaking my word; there are other matters which may cause me to be pushed off my schedule. I am not trying to be devious. I just do not want to say it "shall" occur and then go back on my word to the hon. member.

Mr. Gauthier: Madam Speaker, I know the Clerk of the House and his staff bristle when they are called "bureaucrats". I just wanted to make sure that that word could be struck from the minister's vocabulary, because we consider the Clerk and his staff as servants of the House of Commons, not bureaucrats.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, would the government House leader not think it wise to hold off calling Bill C-26, to amend the Railway Act, until the Speaker has rendered a ruling on the rightness or wrongness of the legislation and how it is being dealt with by the government? Depending on the Speaker's ruling, the government may find that it has either to withdraw or make substantial changes to the proposed legislation. Does the hon. minister not think it

would be wise to hold off calling that bill until after the Speaker has ruled?

Mr. Andre: Madam Speaker, I would certainly not call the bill if there was some doubt as to it being in order, but I am not aware that that is a serious obstacle. I merely think it is appropriate to have the legislation dealt with since it came from the budget of April 1989. Since April 1989 whole borders have disappeared in parts of the world. Perhaps this House can deal with a piece of legislation after so many months.

Mr. Benjamin: You didn't call it for 10 months.

Mr. Andre: It will be in order. I hope I can get the hon. member's co-operation in dealing with any questions outstanding and finding some way of finally getting it off the Order Paper.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1990-91

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-65, an act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I want to reiterate what I said this morning. Because of the ongoing confusion on the part of the government in managing affairs here in the House of Commons, it should not surprise the Canadian people that to is equally confused about managing the finances of this country.

When I left off at one o'clock I was talking about the small crafts harbour program under the public accounts of Canada. In Ontario alone the boats, the fishermen and all the equipment purchased for a boat in use out of a small crafts harbour bring in $300 million annually in tax revenue to the province and the federal government. It is equally distributed, $150 million to the province and $150 million to Ottawa, but the government only puts $3 million back into the small craft harbours program in Canada, which is 1 per cent.

• (1510)

I was also talking about tourism this morning and commending the hon. member for Broadview—Greenwood on the excellent work that he has done on the environment. Environment and tourism must go hand in hand, and we have a lot of development and promotion to do throughout the 1990s. It must be remembered that tourism also improves international understanding and peace in the world.

Sometime ago we talked in the House about ministerial travel. That is still an outstanding matter on the public accounts of Canada. This government is the only one left in Canada now that does not submit receipts for ministerial travel. In every province and territory in Canada ministers submit ministerial travel expenses for viewing by their auditor general. Our Auditor General of Canada has yet to see a receipt from any cabinet minister in this government. We will be looking for that statement in the next few days and, if it is not forthcoming, we will certainly want to know why this government is not accountable in that way.

What we are witnessing today is a government that has no shame. This government talks about financial management but does not practise it. The government says it will not increase taxes and then smothers the people in an economic grave of high taxation. This government not only fails to speak for Canadians but ignores their wishes. It is ripping apart the fabric of this country that has taken over a century to put together. It does does not realize that this country is widespread and predominately rural. It fails miserably to respect these established areas and address the problems that they are encountering. Atlantic Canada today is one great example of that. This government has attacked and sold out our once prosperous softwood lumber industry. This government is underhandedly harmonizing the business community and social policies with those of the United States.

This government's policies are the reasons why we have more food banks. I want to repeat this, Madam Speaker: this government's policies are the reasons why we have more food banks in existence in Canada today than we have had since the depression of the 1930s, and then it talks about the great management of public affairs. Such policies are also the reason why we have homeless people sleeping in the doorways of buildings in our larger cities. By wiping out and attacking small town Canada, rural Canada, this government is forcing people

into the larger urban areas where the cost of living is out of reach and where they become lonely in the crowd and worse off than they were before.

Only when we have a government that addresses the problems of the people, giving them encouragement to improve themselves in order to meet daily challenges, only then will we have a situation where the people handling the public accounts of Canada can honestly say that the money has been well spent and well invested.

This government must go. From the poll that is out this morning, more than three out of four Canadians agree with that statement. All the rhetoric of this government, all the rhetoric of the Minister of Finance, all the rhetoric of the Prime Minister and the broken promises must be replaced with a Liberal government with integrity and an agenda to bring Canada and Canadians back together again, so that they can live in harmony and with confidence in the future and so that we can also get on with creating additional harmony in the world today and manage the peace that is taking place in eastern Europe.

Canada has always played a major role in world affairs and that is probably the biggest public account we can discuss today, because if we as a nation can add greatly to promoting peace and retaining this peaceful development and transition that is taking place in eastern Europe, we will probably save the world the expense of another world war. That can be the biggest public account one could ever think of.

Madam Speaker, you have been very patient. I thank you very much for that and also for your consideration, when I have had about six interruptions along the way since I started this speech this morning.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, let me start out by saying that I look forward to hearing exactly how we will find somewhere in this country a Liberal Party with integrity. It is something for which I have searched for many years in the history of our country, and I cannot myself say that I have found it, which is not to say that I support this borrowing bill by this government.

We have the remarkable sight of a government with 17 per cent popularity across this country coming to the House of Commons and saying to us: "All we want to borrow is $25.5 billion". With 17 per cent support, "give us $25.5 billion".

I am certain that there have been outrageous demands made by governments throughout the history of the world. There have been outrageous demands made by governments throughout the history of this country. I doubt if we have ever heard anything more outrageous than a government which has just 17 per cent of the people of this country behind it saying to this House of Commons: "Give us the right to borrow $25.5 billion".

For us in the Parliament of Canada to give this incompetent group of ministers, this incompetent group of committee chairs, this incompetent group of members of Parliament, the *carte blanche* to go out and borrow $25.5 billion would assume that we had some confidence in their ability to manage this economy; that we had some confidence in their competence. I ask you, Madam Speaker: How could we possibly in light of what has taken place over the last few years? Let us be even more precise: in light of what has taken place over the last week, how could we have anything but a sense of complete disregard, complete disrespect, and complete lack of confidence in this government in front of us?

I must give my congratulations to the new minister who introduced this legislation. He is a worthy and honourable addition to this government. That is not something I would say about a great many ministers within this government, but I certainly say it about him. I want to put the point very clearly. In starting his discussion about this borrowing bill, he made the case that this was somehow justified because the budget record of this government was a budget record of success, a budget record which could be believed in by the people of Canada, and a budget record which somehow was doing something positive for people across this country. If we take the most recent budget we see absolutely clearly that it has been a set of attacks on the weakest and most vulnerable groups and people within our government's line of fire.

• (1520)

The Conservatives have attacked the poor with cut-backs to social assistance programs to various provinces. They have attacked aboriginal Canadians with cut-backs in support to groups such as the Assembly of First

Nations which has spoken out critically against this government on behalf of aboriginal people. They have cut back support for women's groups which again have been critical of this government. They have also cut back support for the future of our country. For example, they have cut back support for science and technology.

This is a government which says in all its rhetoric that it wants to improve science and technology support and, yet when it comes to the test, when it comes to a budget, science and technology becomes a target for cut-backs, just as has been the case in the past. It is not the first time that science and technology has been attacked.

I see a former prime minister, the right hon. member for Yellowhead in the Chamber. I know that his government gave much more support to science and technology than this government has been prepared to do. Instead, it seems that this government has seen as its goal to talk with fervour and passion about the importance of science and technology to the country and then to turn around and slice and chop and cut so that in fact science and technology did not get the support it needs for the future.

We had a brief this morning in the Standing Committee on Science and Technology which talked about some of the important developments in Newfoundland associated with the attempt to take science and technology and tie it to regional development for that part of Canada. Some very important ideas came forth. The key point that brief made was the importance of seeing to it that there was support for education throughout this country and especially for those people in poorer parts of Canada.

Yet, what do we find along with this budget that the government brought down and about which the minister boasted to proudly this morning? We find that this government has also cut back its transfer payments to the provinces, its Established Programs Financing which is destined to go to education. Education too, so important for our future, has been a target of this government.

Health care has been a target of this government. It comes to us to ask for $25.5 million, and yet it has indicated in its budget no understanding of the sense of fairness which people in this country feel, as shown by its attacks on the poorest and most vulnerable groups.

They have no sense of the importance to the future of this country of science and technology, of education and of health care. How could we possibly feel confident in supporting $25.5 billion of borrowing by this government with such misguided and dinosaur-like views of what is important to our economic future?

We might say that at least the government is being responsible financially. The gold dust twins of the government, the Prime Minister and the Minister of Finance, have thrown money about like there was no tomorrow right from the start of their period in power.

I looked at *The Budget Documents* which came out with the budget speech this year. They indicate very clearly—and the people of the country should be aware of it—that when this Conservative government took office the national debt of Canada as at the end of the fiscal year in 1984 was $160 billion. As of the end of this financial year in 1990 the national debt is $351 billion.

These great managers and tremendous business geniuses, these gold dust twins, the Minister of Finance and the Prime Minister, have succeeded in driving the country into a position where our national debt is twice what it was when they took power. Yet, they come to us and talk about fiscal responsibility. Their sense of fiscal responsibility has been to give massive breaks to the wealthy. For instance, they have put into effect a $100,000 exemption for any capital gains tax. How much has that cost in terms of that huge increase in the public debt of the country?

I would like to tell you, Madam Speaker, about one of the most interesting cases I have come across that the government has put into effect. There was a small tire recycling company in Brantford, Ontario which received something in the order of $500,000 in 1983 to get its operations going. It was a disaster. By 1989 the company had gone bankrupt and had not paid back most of the $500,000 it had received.

What did the government do? Three days before the 1988 election the government gave to that same company $2.2 million, not $500,000 but $2.2 million, for a tire factory and also to recycle tires by the same company in Cape Breton. This was despite the fact that the Department of Transport two years before had tested the tires of this company and found that 30 per cent of them were

defective. Yet, in order to try to save a seat in Cape Breton, which it lost anyway, the government gave $2.2 million to the same company.

• (1530)

That may seem like a small concern, but to the taxpayers across this country, $2.2 million wasted and $2.2 million given to an incompetent company which had not paid back the money it had received previously strikes me as something which is highly questionable to those Canadians.

I admit that it is a small matter compared to some of the other items of ridiculous waste which this government has put into effect.

I was part of a committee which looked carefully at the sale of the de Havilland Corporation to the Boeing Corporation of the United States. The government in its ideological blindness decided to privatize de Havilland. It sold a company which was worth at least $1 billion, possibly $2 billion—it was never quite clear—for the total price of $90 million. That itself might seem to be enough of an example of incompetence and stupidity on the part of this government.

Let me tell you, this government did not stop there. A few years later the Boeing corporation came back for more. Despite the fact that Boeing had a chance to go through every inch of factory at de Havilland before making that purchase, before signing that deal, Boeing stated, as a naive company, that it just did not realize or understand the problems that it was getting into. That poor Boeing corporation with annual sales of $5 billion per year simply had to ask the government to help it put this de Havilland corporation into a situation where safety measures are up to scratch throughout this factory.

We in our party believe very strongly in such safety measures. We believe they are the responsibility of the owners of companies. Boeing had complete access to every inch of that factory, every document and every piece of material with respect to the financial state of that company, because Boeing testified to that effect in committee. We believe that it was responsible for establishing those safe conditions. Did the Government of Canada show a little bit of backbone to this American company which had already managed to purchase an important Canadian national asset at $90 million, when it was probably worth $1 billion?

No, Madam Speaker. Instead another $160 million was given to Boeing.

It is unbelievable that Canada actually paid the Boeing Corporation of the United States $70 million to take off our hands this $1 billion asset. That is responsibility, Conservative style. That is economic management, Conservative style.

Mr. Parker: That is incompetence.

Mr. Langdon: My colleague says that is incompetence. I think he is too kind. He offers just mild condemnation when absolute abject stupidity is what should be identified with this government for these and other sets of actions which it has undertaken.

When I first spoke in the House back in 1984, I suggested that the government's plans to try to cut back, to slice important social programs, employment programs, programs that helped science and technology would mean that by 1990 we would still have a deficit in this country of over $30 billion. The Conservatives laughed. They said there was no chance of that happening.

Well, Madam Speaker, let me quote from the budget documents for the fiscal year ending 1990 which state that the level of deficit which this government is running on a year-to-year basis is $30.5 billion. Its approach has been, right from the start, prophesized as bankrupt. It is now seen to have been totally bankrupt. Instead of giving this country the economic base to build for the future, it has given us a debt of $351 billion, a year-by-year deficit of over $30 billion, interest rates which are higher than they have been since before this government took power; levels of unemployment which, once more, on a quarterly basis are rising; taxes which have gone up 31 times in the last six years.

All of that is combined with tremendous breaks for the wealthy, such as the exemptions on capital gains tax. Let me give an example of another tax break. Madam Speaker, I know that you would not be somebody who would be likely to do this, but let us say that your are in business and take a group of associates out for a magnificent meal.

• (1540)

If you were to go out after the meal to a private box at a Montreal Expos game or a Toronto Blue Jays game or an Edmonton Oilers game or a Vancouver Canucks game, do you know that you would be able to write off 80 per cent of those entertainment costs against the taxes that your company would owe to the Government of Canada? Those are the kinds of benefits which have been given out by governments in our country.

One of the most important corporations in the City of Windsor is Hiram Walker Distilleries, a corporation which has employed people in Windsor for years. It was subject to a massive takeover bid by Olympia & York, the Reichmann corporation in Toronto which wanted to spend over $2 billion to purchase Hiram Walker.

As it turned out they were not successful in taking over Hiram Walker. If they had succeeded in purchasing Hiram Walker at a cost of $2 billion, they would have had to pay interest on the $2 billion which they borrowed. The interest on that $2 billion would have been deducted from the taxes that Olympia & York would have had otherwise to pay to the Government of Canada. A takeover that would not have created a single job and would in fact have eliminated jobs, would have ended up being paid for by the people of Canada through tax breaks that are built into our system. That is the kind of reality which exists in this country.

It is an approach which has many problems associated with it. Perhaps the biggest problem is the tremendous unfairness which it creates in our country.

Let me say that the average person in my constituency, if he or she goes out to a Tigers baseball game, if he or she goes out for a meal, that person cannot take 80 per cent of the cost off the taxes that they pay. Let me make it very clear, if some of my constituents are watching, please do not let me be seen as suggesting that they try to deduct from their income taxes 80 per cent of the cost of their entertainment.

Of course, they do not get tax breaks. The average person in this country does not get a tax break. The ordinary family in this country does not receive tax breaks. The large corporations do, and that is what we have to change.

That is why we cannot support anything that would demonstrate any confidence in this bunch of incompetents, as my colleague has called them charitably, on the other side of the Chamber. They are a bunch of incompetents who, during the election campaign in 1988, told the people of Canada that if free trade was accepted there would be no problem for social programs. The Prime Minister said social programs would be enhanced.

I did not bring my dictionary, but we have clearly here got a new meaning for the word "enhanced". My dictionary has always said that enhanced means improved, made better. Is that not right?

Now it seems to mean destroyed, cut back, chopped, reduced, because that is what has happened to the unemployment insurance program and pensions. There have been clawbacks on pensions. That has happened to family allowances and transfers to provinces for health care. It has happened in the case of day care and regional development programs. We could go through a massive list of social benefits which have been attacked by a party that at the same time has given out benefits for the rich and for the corporate sector. Yet there are cut-backs for the poor, cut-backs for social programs, cut-backs for the future.

The minister stated at the beginning of his speech today that we had a great budget in front of us. Of course it is the budget that implements the goods and services tax.

I have to say that I am proud to have started a filibuster in the finance committee this week to try to stop this committee and this party from seeing to it that no further witness could be heard on that issue.

Mr. Nicholson: Shame on you. It is an abuse of the parliamentary process.

Mr. Langdon: This government decided that it has heard enough witnesses. It could not take the hundreds of sheets of requests which have come in from groups like the Nelson and District Chamber of Commerce, wanting to be able to speak; the Association of Canadian Publishers saying that these committee hearings should not be shut down; or the Okanagan Mainland Real Estate Board. I point out that these are not exactly the usual groups that communicate with the New Democratic Party. But on this issue they saw that we were fighting,

standing up for the rights of small business, for the rights of people to have some democratic chance to speak out.

Mr. Heap: They did not ask the Liberals to speak for them?

Mr. Langdon: No, I am sorry. I have to tell my colleague from Spadina they did not send copies to the Liberal party. For instance, the Wetaskiwin Chamber of Commerce from Alberta wrote to us saying: "The chamber feels that more groups should be heard, as not sufficient people have been given the opportunity to express their dissatisfaction and opposition to the proposed GST." That one is signed by Ron Noel, president of the Wetaskiwin and District Chamber of Commerce.

• (1550)

I could quote from another letter which I received from the Sherwood Park and District Chamber of Commerce, which is also in Alberta. The last time I checked, all of these constituencies from which these various pieces of material have come are all held by Conservative members of Parliament. I quote to you from the Sherwood Park and District Chamber of Commerce which said after the government attempted to shut down the hearings on the GST:

> On March 20, 1990, the Board of Directors unanimously voted to request your committee to continue with the GST hearings for groups that wish to be heard. Closure on the GST hearings is not appropriate for such an important issue.

I could go through sheet after sheet from business groups, trade union groups, hospital groups, teachers groups, groups across this country that communicated absolutely clearly that they did not want these goods and services tax hearings to be stopped. Yet, despite that there was an act which I have to say as a member of Parliament I have never seen an equivalent to in terms of the completely arbitrary, illegal and totalitarian methods employed.

It was an action that ran completely against anything in Beauchesne's, anything in the Standing Orders of this House or the Standing Orders which affect committees of this House, an action completely anti-democratic and completely totalitarian.

These kinds of letters were pouring in to the chair and the clerk of the committee and to myself as a member of the committee. These communications were coming in from across this country, not just from trade union groups, not just from groups in Alberta, but from groups from every province in this country, including solidarité populaire in the province of Quebec, from chamber of commerce groups in the province of Ontario, from small businesses in Saskatchewan, from small business professional groups in the province of Manitoba and the province of British Columbia. There were hundreds of communications telling us that we must not stop these GST hearings before the people of Canada have a complete chance to speak out as they wished to. When people across the country people saw what was taking place, they saw to it to communicate as effectively and as quickly as they could to ensure that their positions were put forward in front of this committee. Because this wave of communication was coming in, the chairman of this committee cut it off. He cut it off in a way that was totally unparliamentary, totally undemocratic, and totally totalitarian.

To conclude, this is a government of incompetence and a government that has acted stupidly. It is a that government continues to act without a sense of strategy or purpose in its economic policy. It is a government which has moved this week to take totalitarian and undemocratic actions which I certainly cannot accept and my party cannot accept. For this reason, we will proudly stand up and vote against giving authority to this bunch of spendthrifts and incompetents to borrow yet another $25.5 billion.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mackenzie—The economy; the hon. member for Parkdale—High Park—Food Banks; the hon. member for Thunder Bay—Atikokan.

There is no period for questions and comments after the first three speeches. Resuming debate. The hon. member for Glengarry—Prescott—Russell.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to speak today in this debate.

What is the government asking us to do in Bill C-65? These Tories across the way want us to let them borrow $25.5 billion for public works and general purposes, so

they say. I ask you, Madam Speaker, you being the non-partisan person that you are, if you had $25.5 billion, would you give it to those folks across the way? Surely not after the incompetent management that they have provided to the people of Canada and to the public treasury during recent years.

The government across the way has so mismanaged our country that it has succeeded in convincing just about everyone in Canada to vote for someone else. Today a public opinion poll by Gallup came out. I will say this so that the members can understand very clearly.

I see a few members of Parliament from Ontario and they will know that the Conservative Party in Ontario enjoys the support—and I use the word "enjoy"—of some 13 per cent of the Canadian population. That tells us what a good job the government has done. There are probably 13 per cent of Canadians who still believe that Elvis Presley is alive. Those people across the way think that we, the representatives of the people, are going to give them $25.5 billion while only 13 per cent of Canadians think that they can actually run the show. The short answer is, no—*nyet*.

• (1600)

[*Translation*]

—not one cent to the Conservatives opposite.

Madam Speaker, not long ago, the government brought down its Budget. In that Budget, the government claimed—the government, how shall I say it, was stretching the truth. I wouldn't go so far as to say it was lying, although I suppose I could, as long as I don't say an individual member is lying, of course. The government was stretching the truth, and I would even say it has an almost morbid tendency to try to embellish the truth for Canadians. They even tried to make Canadians believe the present Budget does not raise taxes. That, Madam Speaker, is not really true. Look, I have some evidence might here of tax increases in the Budget.

[*English*]

The Minister of Finance in his budget has frozen for two years transfers to the provinces for post-secondary education and health care. Consequently, that is going to cause the provinces to increase taxes. So there is an indirect tax in that measure right there.

In the budget there is also reference to the goods and services tax and the intention of the government to proceed with this item.

On page 135 of the budget it indicates very clearly that the government will end up with a surplus of over $1 billion by replacing the existing manufacturers' sales tax with the goods and services tax. In other words, there is $1 billion tax increase right in the budget on the goods and services tax alone.

We will have to remember that there is deindexation of personal income taxes, which is the same as a 3 per cent increase in taxes, or close to it, every year. There is the clawback of family pensions. I see the Minister for International Trade across the way who will know about the clawback of pensions. That will generate an extra $2 billion. That is $2 billion of tax increases. The government across the way is not telling Canadians the whole truth and nothing but the truth in regard to taxes.

The government tells us we should give it more money, $25.5 billion, because it needs it to run the affairs of state. What did the Tories do with the money we gave them last time? What did they spend it on? Let me give you a few examples.

An hon. member: Give us some examples.

Mr. Boudria: The members across the way are insisting that I give them some details on those expenditures. I can tell that they want us to elaborate on what the government across the way did with the funds.

The government did use funds for things other than building strip joints and locking priests in jail. But it has done both of those things as well. That is just some of the expenditures. And, yes, that does cost money. Incarcerating priests and building strip joints is very expensive. But those are two activities that the government has decided to undertake over recent days and months.

I have an article from *The Ottawa Citizen* of March 9, 1990, entitled "$111M tax tab well spent, Wilson says". It reads:

> The $111-million tab this year for the proposed goods and services tax was money properly spent, Finance Minister Michael Wilson said Thursday.

"A government has the responsibility to make preparations for legislation it is considering," Wilson told the Commons.

So you see we have $111 million spent by the government toward the administration of a tax that has not yet been approved by the House of Commons and hopefully, of course, it will not be approved at all. Hopefully, after I conclude my remarks today, the members across the way will understand that they have to change their minds and withdraw this offensive provision.

I have another article from *The Toronto Star*, so obviously it has to be the truth. This article is from July 15, 1989. It talks about the use of government jets by cabinet ministers. I know the Tories are very sensitive about the jets. The former Minister of Transport used to be known affectionately as "Benny and his jets". He no longer is the Minister of Transport. He has been sent off to bigger and better things.

This is the kind of money spent and the usefulness of those expenditures. Keep in mind as I read these expenditures that the government wants us to allow it to borrow $25.5 billion more after it did what I am going to read right now. An article in *The Toronto Star* of July 15, 1989, which is obviously very accurate and very true, of course, states:

Deputy Prime Minister—took the jet back to Ottawa from the west twice in June,—$84,500.

Defence Minister Bill McKnight took the jet to Saskatoon—$35,000.

On May 30, Grains and Oilseeds Minister—flew to Winnipeg—

—as though there were not flights from Ottawa to Winnipeg—

—$27,000.

In May, External Affairs Minister—used a Challenger to shuttle between Paris, Madrid and Brussels—

Again, there are so many airports in some of those European countries that you have a hard time driving 50 miles without seeing one. Here is the cost of this one:

—$112,500.

An hon. member: Imagine!

An hon. member: Repeat that.

Mr. Boudria: My colleague wants me to repeat this. I will have to do that. "In May of 1989, the Minister of External Affairs used a Challenger to shuttle between Paris, Madrid and Brussels. That cost $112,500". The minister also sent his wife back here on a separate trip which cost $79,000, to add to the amount that I have just stated. Once all that was over, the minister himself decided to fly to Calgary on the jet and that cost another $48,000.

In March, 1989, since the last election, and we are talking about all the reasons why this government should not get any more money because it is not using it right, the Minister of Sport at the time—he has since lost his job—flew from Ottawa to Sherbrooke. That cost $8,000.

As you know, the quickest way to get to Sherbrooke from here is to drive because by the time you go to the airport, warm up the plane, land it and take your car into town, it is just as quick to drive. That would not cost $8,000.

The Associate Minister of Defence went to Vienna to the opening of the arms talks and that cost $96,000 on a government jet. That is all for that particular article in *The Toronto Star*.

Mr. Crosbie: You must be disappointed.

Mr. Boudria: Let me continue. I have lots more. I want the minister to know that there are a lot more.

Mr. Crosbie: How about Herb and Otto Lang?

An hon. member: What about Pierre?

Mr. Boudria: I am glad the member across the way said: "What about Pierre?" I am so glad to hear that, because in the days when Mr. Trudeau was the Prime Minister, he used to go to China to speak. He would bring eight people with him. Do you remember the last trip that the Prime Minister took to southeast Asia? There were 75 people on the plane. Can you imagine that?

Mr. Crosbie: How much did that cost?

Mr. Boudria: As a matter of fact, he could not use a 10-seater plane. He had to charter a plane from Air Canada in order to put everyone on board.

An hon. member: Is that the one with the video equipment?

An hon. member: That's the one with the champagne dispenser unit.

Mr. Boudria: That tells you just what kind of spendthrifts these governments are.

• (1610)

We all remember when the Prime Minister used to fly with two jets. Do you remember that? The Prime Minister would fly in one jet with a back-up jet that could be seen in the mirror. Just so he would have something to look at in the rearview mirror. That is a backup. You can understand how useful that is. If the plane runs out of gas in mid-air at 35,000 feet he could presumably jump from one jet to the other.

An hon. member: That's tricky.

Mr. Boudria: I know it is tricky, but when you are the great one there are many things you can do. Presumably, the great one figured a way to do that.

I have a few more little goodies here. This is from *The Toronto Star* of December 6, 1989.

An hon. member: It's a great newspaper.

Mr. Boudria: I know it is a great newspaper, as my colleagues say, and I agree.

The Minister for External Relations used more than $222,000 worth of flying time for trips to Barbados and Africa. The Secretary of State for External Affairs spent $165,000. This is for the period between August 8 and November 7. The Minister of National Defence—remember him, I talked about him in the previous article. He went to Cyprus in a government jet, stopped in Portugal on the way. That cost $179,000.

An hon. member: That is a bad one.

Mr. Boudria: I know it is not much when you are the government and you want the House of Commons to give you $25.5 billion. What is a billion to the government across the way?

I have quite a few examples of this kind of expenditure. The worst offender has to be the Minister of Finance. The Minister of Finance thinks that he can advertise the GST to such an extent that people will actually like it. That sounds naive, but have you noticed the more he advertises the GST, the lower the popularity becomes of the present government? So, in a way I like the ads because right now the government's popularity is at 13 per cent in Ontario. If it advertises more the government will soon reach a minus factor in terms of popularity. Unfortunately, the taxpayers of Canada just cannot put up with more government advertising and other such useless expenditures.

I have a story from *The Globe and Mail* of August 22, 1989. It states in this particular ad that the Canadian government will spend a lot of money on ads but this time the ads have been given to a U.S. firm.

It was bad enough that the government was spending money on its Tory friends in Canada. Now it is giving these ads to their friends in the United States. There has been a union of various companies, a marriage of convenience between Foster and McCann-Erickson. This new conglomerate is now going to partake in some of the government largesse in the way of advertising.

I have a list of expenditures for government advertising. Do you know who the top 10 ad spenders are in Canada? Do you think it is General Motors? No. Do you think it is Proctor & Gamble? No. Do you think it is the Tories across the way using taxpayers' dollars?

An hon. member: Yes, probably.

Mr. Boudria: Yes, you guessed right. That is exactly what it is. In 1989, the government across the way spent $76 million of the taxpayers' money to advertise such lovely measures as the goods and services tax.

Quite apart from everything else, I think it is about time the government changed its advertising company if that is the kind of result it receives from all of this. The yield has not exactly been great. If you had invested $76 million of your money, Madam Speaker, and the end result of it was that only 13 per cent of the people thought you had any credibility at all, you would start thinking that you have been doing something wrong.

An hon. member: That's why the Tories went to the U.S.

Mr. Boudria: My colleague across the way wonders if that is why they went to the U.S.

It is interesting to note that the government spent $76 million. Proctor and Gamble, which shows us all its soap and all those other fine things that they do, spends $61 million in a year. That is their business, selling us and trying to convince us that their products are good. At least in their case, people have not stopped buying their products. But people have stopped buying the line of the Government of Canada. General Motors spent $56 million in advertising; Molson, $55 million; Unilever, $46 million; and McDonald's Restaurants spent less than

half what the Tories across the way spent in advertising in one year, and all I see everywhere is McDonald's advertising.

So, you can see, Madam Speaker, that the government has not been using the money that we gave it last time very usefully and you can understand the reluctance that my colleagues and I having of giving any new money to those Tories. We are, of course, trying to look at this objectively, as we always do on this side of the House. But, Madam Speaker, you can understand that giving $25.5 billion or allowing these Tories to borrow, even worse, $25.5 billion after they spent our money this way—

Mr. Robichaud: They have more travelling to do.

Mr. Boudria: My colleague from Beauséjour says that perhaps they have a bit more travelling to do. That could be. Maybe they have a bit more advertising in their plans. I know some say that they could use a bit more advertising. Their popularity is not all that great right now. However, I only wish they would use their own money to prop up the Tory fortunes instead of ours, instead of the money that belongs to the Canadian public.

[*Translation*]

Madam Speaker, I am sorry to have to cut short my speech, because I would have liked to say more, especially about the cutbacks at our post offices and other offensive measures taken by the Conservative Government in its last Budget.

In any case, the short answer to the government's request for permission to borrow $25.5 billion is no, *nyet*!

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I would also like to comment on what was said by the hon. member for Glengarry—Prescott—Russell (Mr. Boudria). In concluding, he said that he was sorry because he could have gone on down the list.

I will be glad to do it for him. If we go back to the year 1983–84, perhaps I may comment on Marc Lalonde's scientific research. A program was supposed—

An hon. member: Time!

Mr. Saint-Julien: I heard an hon. member say "time", because he is in a hurry for me to finish, not because he wants to rise in the House to speak to my comments. I wish he would. I wish he would move that the Government of Canada request a royal inquiry into the theft of the century perpetrated by the Liberals from 1983 to 1984.

He doesn't seem to appreciate that, but he won't be able to yell "time" later on—

Madam Speaker, as part of my questions and comments, I would like to ask the hon. member for Glengarry–Prescott—Russell what he thinks about the theft of the century. It was a scientific program that was supposed to cost $200 million, but officials told Marc Lalonde to stop the program because it was a drain on the budget. This was early in 1984, but Lalonde said: No, we are going to have an election. The program cost exactly $3.9 billion! After months of investigation the Auditor General complained according to the newspapers that it was a disgrace, a waste of money, the $1.9 billion theft of the century perpetrated by the Liberals.

• (1620)

Madam Speaker, my colleague said a while ago that the Challenger aircraft took off from Portugal, made a few stops and flew on to Canada. Of course they have to make a few stops to refuel, otherwise they would never make it to this country.

I would remind the hon. member that they never rose in the House to urge that a royal commission be appointed to look into the $1.9 billion fraud in this $3.9 billion project. To think that some people in Canada—even in Victoria a mechanic got $5 million. He was supposed to prepare a program and do some research on data processing. He got $5 million from the Liberals and today this Victoria mechanic is in Hong Kong writing a book on break dancing. Not bad at all!

Closer to the riding of the hon. member for Glengarry—Prescott—Russell, when the Liberals were in office a group of foreign businessmen got $6 million to do research on wartime mini-submarines. After months of investigation the government officials found out that these were old plans of World War II–vintage mini-submarines. They got $6 million for that and then vanished.

But to get back to my story, on February 19, 1990 I said "the worst tax fraud of the century is again the topic of a *Globe and Mail* article". A moment ago the hon. member referred to several newspaper articles. I will tell him about a recent one, February 7, 1990, reminding Canadians that the Liberals in 1983–84 wasted billions, not millions, but billions of dollars. Using Marc Lalonde's Scientific Research Tax Credits, one Kenneth Ford in 1983–84 was able to cheat the Canadian government of several million dollars, which he invested with impunity

in Costa Rica. The former Liberal government had estimated that the program would cost only $200 million, but it ended up costing $3.9 billion.

Madam Speaker, when the hon. member says some things about this government, like members or ministers who travel the world in Challengers, I think that they may just be following the policy of the Liberal government whose members travelled around for 20 years. I am about to put a question on the Order Paper asking for all—I will do it, take note. What did the Liberals do with the Challenger aircraft for 20 years? We will have some little surprises!

In conclusion, Madam Speaker, I want to say about this disaster, this theft of the century by the Liberals, the government of the day, that we could have built 50 hospitals in Canada with that $1.9 billion. Think about it! It's serious! $1.9 billion, Madam Speaker. That is what we today call the theft of the century and the Liberals were responsible.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am always delighted to reply to a Member of the Party which asked Giovanni Mowinckel to build at 24 Sussex Drive a wardrobe large enough to accommodate 90 pair of shoes for the Prime Minister. I am always pleased to reply to these people.

I am always pleased to reply to these people who awarded contracts without tender for the construction of Place Vincent-Massey, in Hull, and who renewed leases which have not yet expired to benefit their Tory friends. I am always pleased to reply to these people who pratically gave away Mirabel lands in certain cases to some other conservative friends Madam Speaker and to answer any question they might want to ask.

Mr. Saint-Julien: We kept them for ourselves! Tell us about the fraud of the century!

Mr. Boudria: If I understand correctly, the Hon. Member is seeking information about the area of research and development. I am glad to note this renewed interest in the area, because before the election campaign in 1984, the leader of the Tory Party, in his madness to promise the moon, had committed himself in his very first mandate, to doubling the amount earmarked for research and development.

Well, the amounts which this Governement invested in 1989 in research and development hardly reached that level. The percentage of the gross domestic product spent in research and development when down from 1.37 in 1984 to 1.32 in 1989. Therefore, this Government is showing no interest in research and development, because it is anxious to see this activity carried out in the United States by his Tory friends instead of the Canadian people, Madam Speaker.

Mr. Saint-Julien: Tell us about the $3.9 billion project. Tell us about the fraud of the century. Tell us about those crooks!

Mr. Boudria: That is the sad record of our Tory friends opposite in the area of research and technology. As a matter of fact, we will deal again with this issue in the House in a few days, because my Liberal Party friends want Canadians to know more about the lack of commitment to research and development of my hon. friends opposite.

Mr. Saint-Julien: It is a $1.9 billion fraud!

[*English*]

Mr. Harvey: Madam Speaker, it is always an amusing and edifying experience to listen to the member for Glengarry—Prescott—Russell. I listened with special attention to the tales he told of cabinet ministers in the current government travelling about the country with astonishingly large entourages and generally wasting the taxpayers' money in such fashion. The member mentioned the more frugal times during the Liberal tenure of the last several years. I would like his comment on one time in particular that I recall. It was an extremely light entourage. I remember there was a time when the Prime Minister travelled to western Canada with nothing but a middle finger.

Mr. Boudria: Madam Speaker, I am always pleased to respond to my colleague from Alberta. I am pleased to speak to him about government travel. He gave me an excellent opportunity to remind Canadians of a new article which I have just found. This is about the Commonwealth Conference in Malaysia and Costa Rica.

The Prime Minister's entourage, in their brilliance, decided that they wanted to have the Prime Minister's own personal limousine in Costa Rica. What did they do? They took a government plane, I believe a Hercules, loaded two Cadillacs into the Hercules, and flew it down to Costa Rica. Little did they know that the cars here work with unleaded gas while those in Costa Rica do not. Guess what happened. They drove the cars out of the plane and the tanks were empty. They had to load them back on the plane and fly them back here because there was no gas. That is the kind of stupidity that we see from the government people across the way. Then they dare to ask us for $25.5 billion. I repeat what I said before, no, *nyet*, not one cent.

The Acting Speaker (Mrs. Champagne): Resuming debate with the hon. member for Trinity—Spadina.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker—

[*Translation*]

Mr. Saint-Julien: Wait until I ask you my question about the 20 years of Liberal administration and the Challengers.

An hon. member: Please, ask other questions!

Mr. Saint-Julien: I know your tricks!

An hon. member: We are telling you a few things, my boy!

An hon. member: Watch out, let us keep a curl tongue!

[*English*]

The Acting Speaker (Mrs. Champagne): Order, order. Thank you. We will all listen to the hon. member for Trinity—Spadina.

Mr. Langdon: I rise on a point of order. I just wanted to check with you, Madam Speaker, to see that the disturbance which took place at the start of my colleague's speech would not be deducted from his time or anything like that. Could I have your assurance on that?

• (1630)

The Acting Speaker (Mrs. Champagne): I can assure the hon. member that I will not even deduct his intervention.

Mr. Langdon: Thank you very much, Madam Speaker. I appreciate that.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I am pleased to have a chance to join in the debate on Bill C-65 through which the government is asking us to vote $25.5 billion borrowing authority. This is an amount almost as large as the annual deficit that this government runs, and it is remarkable that it would ask us to vote for it. Of course, it has ways of getting its results without letting us debate very much but I am glad that at least it has allowed us a little time to debate this because there is a serious point that I want to raise, and that is, as has been made clear by the finance minister, the extent to which Canada is losing its sovereignty through being indebted to foreign lenders.

This government started out in September, 1984, by saying that Canada needs foreign capital. It has turned handsprings to reduce all the defences that Canada had to prevent takeovers by foreign capital and reduction of our own capital, but now this government is admitting that in a sense we have too much control by foreign capital.

It is very interesting, in the light of the euphoria in our country and the joy of some people over what is happening in eastern Europe with forums of democracy being brought into eastern Europe that are more familiar to Canada, that our own democracy, with the forums that we like, is finding itself less and less able to do the democratic thing because of our subordination to foreign capital.

It is all the more remarkable because this was apparently never thought of by this government before November 21, 1988. In the months preceding November 21, 1988, this government was promising to spend billions and billions of dollars on every program you could think of. There was no problem. There was no worry about external debt, no worry about the annual deficit. You would like more day care? Certainly, more day care. More of this? Certainly, more of that, and so on.

After November 21, 1988, when this government got elected, partly on the basis of those inflationary promises, the finance minister suddenly discovered that we have a big external debt and a big deficit. So he not only had to wipe out most of the promises he had made, he had also to undo many of the gains that this country had

made over the last half century in unemployment insurance and other social programs.

This government wants us to believe that it is the federal debt itself that is the source of all these problems, that if it were not for the federal debt our country would be free. To a small extent that is true because the program spending, the money we spend on the necessary work of government, including social programs, is not what is breaking our budget. It is not what is putting us in the red. In fact, we are collecting more revenue than we are spending on programs.

In fact it is the debt that is putting us further into debt, it is the debt and the interest payments on it that is making it impossible or us to balance our budget, since the government refuses to collect the adequate taxes from the companies and individuals who can pay them. As a result, today we have the weekly corporate welfare bum award presented by the member for Nickel Belt.

The program as a percentage of our gross national product is really quite small. It has dropped from 19.5 per cent of our gross national product to 16 per cent in six years. So it is not that we are living beyond our means. The revenues cover more than our program spending. The hook is this debt which this government has allowed to double in the last six years.

As is well known, we have interest rates that are five points higher than the U.S. interest rates. That is by this government's choice. This government has refused to take action to lower Canadian interest rates. They are also far higher in the real sense than they were during most of our history. During most of our history, real interest rates, the difference between the nominal interest rate and the inflation rate, was about 1 or 2 per cent. Now it is more like 6 and even 8 per cent.

That is what is killing small business. That is what is causing a record rate of bankruptcy in small business. That is why this government claims it has to cut back on the social programs which the Prime Minister used to call a sacred trust. Obviously, he considers them a trust, not in the sense of a sacred trust, but in the sense of a financial trust. But he called them a sacred trust.

Why do we have these high interest rates? It might be just because Mr. Crow and the finance minister are pathologically afraid of inflation. However, more seriously, I think it is because they want a policy that they believe will keep on attracting international capital into Canada and subordinating Canada to an international global interest system.

We had a confirmation of that in January when the interest rate was allowed to drop by a few decimal points. Foreign capital immediately began withdrawing their short term money and chased the interest rate back up again.

The international money markets now have Canada by the throat much more firmly than they did when this government took power in 1984. The finance minister is afraid to confront international capital. In fact, he has decided that since we cannot lick them we will join them which, of course, is good for some people. It is good for the people who are in the business of capital. It is bad for the large majority of Canadian people; men, women and children.

The finance minister claims to be realistic, but in fact what he is doing, according to his own figures, is reducing the standard of living of Canadians. By his own budget figures, it will actually be reduced by over 1 per cent over the next several years. Instead of increasing as a real rate of income, real buying power, it is going to be reduced.

I want to point out what happens to countries which allow themselves to be pushed into this cycle of reducing their standard of living so that they can feed the banks, especially the foreign banks. There is a great deal of experience about this in the countries to the south of North America, that is, in the southern hemisphere mainly. These are countries that used to be the colonies of western Europe, some of which then became colonies of the United States and are now under a sort of neo-colonialist rule by the banks, mainly of western Europe and the United States.

• (1640)

Recently I had the privilege of attending for my party at the subcommittee on external debt of the Standing Committee on External Affairs. I heard the Reverend Jaime Wright, a Presbyterian minister from Brazil and a close associate of Cardinal Arns there in social justice matters. Jaime Wright was brought to Canada to speak for the Canadian Council of Churches during its Ten Days for World Development tour. It was our good fortune that he also spoke to the parliamentary subcommittee on external debt.

He pointed out what has happened to Brazil. This is a warning to Canadians, because Canada has a debt of several hundred billion dollars, as does Brazil. Canada has a smaller population so our per capita debt is even higher than Brazil's.

Jaime Wright pointed out that between 1972 and 1988 Brazil paid $176 billion U.S. of interest on its debt. Yet today its total debt is only $113 billion. In other words, it is paying far more on interest than on capital. He pointed out that between 1980 and 1987, Brazil lost $50 billion in capital. It was transferred to other countries, that is, capital flight, the sort of thing that we notice going on with some of our big real estate operators like Campeau. That $50 billion, he reckons, would be enough to build up all the slums of Rio de Janeiro 50 times. In 1988, the servicing of Brazil's external debt cost $17 billion, which would be enough to build two tunnels under the English Channel.

He particularly attacks floating interest rates, and this is something that advocates of borrowing abroad ought to take account of. He points out that in Brazil and other Latin American and Third World countries there have been enormous losses in the 1980s on account of the floating interest rates. Contracts were signed in 1976 to pay 6.5 per cent interest but they were unilaterally raised in 1981 to 21.5 per cent interest.

He points out further how the Brazilian government, following Brazilian law and using Brazilian courts, could have resisted and withstood that unjust, unilateral robbery of the Brazilian people through the unilateral raising of the interest rates, but it simply did not use the means at its disposal nationally and internationally.

The result of that is that between 1973 and 1985 prices rose for the products that were imported from the more industrialized countries. Since Canada is losing its industry to places like Mexico through the free trade agreement and other agreements with the Maquiladora areas, we are going to be in the same position of paying extortionate prices for imported industrial products.

I have already referred to the capital flight which is certainly a danger to Canada, but I want to quote what he quoted from John Kenneth Galbraith who said: "Senseless governments riding senseless projects obtain senseless loans furnished by bankers no less senseless. This festival of senselessness, which in no way honours the capitalist system and offends the democratic regime, led dozens of Third World countries into bankruptcy in the most astounding process of impoverishment of the poor for the sake of further enrichment of the rich."

There is one way in which that does not quite apply to Canada in that he is talking of Brazil borrowing from foreign banks. In Canada, of course, we have strong banks of our own, or we did until the government began to let in American Express. We will see what American Express does to our strong banking system.

Our banks are among those senseless ones that made foolish loans to countries like Brazil. The banks are now asking the Canadian taxpayers to foot the bill by taking interest rate reductions in return for the money they set aside against those bad loans.

He lists briefly what the external debt has generated, along with this cycle of reducing the standard of living to pay for the external debt, for Brazil: internal debt, economic stagnation, increase in unemployment and underemployment. The Minister of Finance predicts that we will have an increase in unemployment in Canada. He also includes decrease of salaries and decrease of food intake. There are a growing number of people, especially children, in our major cities in Canada who have to depend on charity at the food banks for their daily bread.

When I grew up I understood that Canada was an agricultural country, that we produced food, we even produced enough food to sell. But it turns out that we are becoming more and more dependent on imported food for the actual eating business in our cities, and that there are more and more people who cannot afford to eat, who can only eat if somebody, in charity, gives them some of the food that is surplus to the great multinational corporations that control our food distribution industries. So there is a decrease of food intake. There is a decrease of health conditions in Brazil.

We see this government willing to decrease the money that is available for the public health insurance system in Canada. As surely as the night follows the day, there will be a decrease in health conditions. In the rich province of Ontario there is more money for a few people's heart surgery and less money for battered women's shelters. One doctor pointed out in *The Globe and Mail* that far more women die for lack of shelter in those battered

women's shelters than there are people who die for lack of facilities to do heart surgery.

Of course, there is inflation. I will not compare the Brazil inflation figures with ours, because Brazil is much farther down this unhappy road than is Canada. I am very concerned, though, that Canada has already taken several steps down this road. This slogan of short term pain for long term gain is just a little bit wrong. This policy really amounts to short term pain for long term more pain. Canadians ought to be warned against what this government is doing.

In closing, I want to call on the government and the Canadian people to stand up to the banks of this world, whether they are the banks of Canada, the banks of the United States, the banks of Japan or the banks of western Europe, and to put first things first.

An economy is not primarily intended to produce figures in what is called the gross national product. That is an abstraction. It is not primarily intended to produce this or that interest rate. It is not primarily intended to produce any index of wealth. It is primarily intended to feed people, to clothe people, to provide shelter for people, to provide education, to provide medical care, to provide all the necessities of life. That is how an economy should be measured.

Our economy is called successful because of our gross national product and indices like that, but there are more and more people begging for food in our cities and more and more people sleeping on the streets in our cities. In the wealthy city of Toronto, the estimate is closer to 20,000 than to 10,000 people who are without homes. You can sometimes see them sleeping in the streetcar shelters. You can sometimes see them sleeping in the stairwells of parking garages.

• (1650)

This is a sick way of approaching the economy of a country that is so wealthy and in which more and more of the people are plainly poor. I want us to begin to construct an economy by saying, "What do the people need? How shall we produce it, and how shall we finance the means of doing that?", instead of starting at the other end and saying, "What would the bankers like to take from us and will there be anything left over for our children to eat?"

If this government does not do it, or if it is not thrown out of office by somebody who does do it, we are going to follow the same path as Brazil has taken.

As a beginning, I am satisfied that with my party I shall be voting against this bill to borrow $25.5 billion because this government is thinking only in terms of its relationship to the banks and not in terms of the well-being of the Canadian people.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the hon. member for Spadina has made a very thoughtful speech, largely about the issue of external debt of countries. I think he has done well to place before us the serious dilemma that is faced by countries which have that amount of debt and the cost of it, particularly in human terms.

We are aware that now the net flow is to the developed countries, paying interest to service the debt, which is just the contrary of what it was in 1970. There was a $40 billion net flow to the developing countries then and now it is an annual net flow of some $40 billion from the developing countries to the developed countries, just in payments to service the debt.

It is a serious global problem. The costs of the debt are being paid particularly by the weaker and younger children in poorer countries who are not able to continue in school. The teachers are no longer there because they are not paid. There is no money to pay the capital expenditures for education. I am not talking only about buildings, but even about books and school supplies.

We also see those same weaker and younger people paying the cost of this indebtedness in health care with the closing of clinics, and the inability of a number of fairly major countries to buy vaccines and supplies which they need because the money just is not available any more. I think that all Canadians lament seeing medical clinics and projects that we have taken pride in seeing developed through CUSO, CIDA and many non-governmental organizations, being closed.

I think the hon. member did well to raise the subject of that debt in the context of the borrowing bill which is

before us. I do not share all of his conclusions as we are of different political persuasions, but I certainly appreciate that he has raised this issue.

I would like to ask him a question relating to his reference to Brazil and the position of the banks. Anything which is before us now, of course, relates to loans and grants being made by the government, not through the banking system. A component of the amount of money that the government is seeking to borrow through this bill relates to our external aid.

I want to invite the hon. member to comment on the change in Canada's policy in respect of loans. This government, under the leadership of the Secretary of State for External Affairs, changed the policy just a few years ago from making loans to countries from which we knew there would be no hope whatsoever of repayment, to making grants to them. We have accepted the fact that we are a wealthy and prosperous country. We do have a global responsibility and if we are going to be sharing financial assistance with others, we should do it, not in the form of a loan when we know there is no hope of getting that back and allowing interest to accrue, but by putting all of our assistance on a grant basis.

In furtherance of that, we have forgiven indebtedness. That was done first with the African Commonwealth countries and then with the francophone African countries. In just the past few days the Prime Minister announced the forgiveness of indebtedness to Commonwealth countries in the Caribbean as fulfilment of this Canadian policy.

All of that cannot be separated from the current issue of the government's financial position and I would invite the hon. member to share any further thoughts as to whether he supports this new policy of our government. Does he see it as a helpful and positive step to the serious problem of external debt which he has properly raised before us?

Mr. Heap: Madam Speaker, I thank the hon. member for Etobicoke—Lakeshore for his very helpful extension of the point I was making. I did and do welcome the Canadian government's decision to forgive loans of some of the sub-Saharan countries and to some of the Caribbean countries.

I understand that in the case of the sub-Saharan countries the actual commercial value of the loans had sunk so far that the loans were almost entirely unrecoverable. What was being given at that point was not nearly the face value. What was originally given, of course, had been the face value, but what was forgiven was really only the shell of what the loan had formerly been. I assume that it is more or less the same in the case of the Caribbean loans.

Nevertheless, to lift that moral burden off the backs of some of the very poorest people in the world is an excellent thing to do. I believe it is a small start in the right direction.

We have several times as large an amount of loans under the Canada Export Corporation, at least in the case of the sub-Saharan countries, which nominally are loans to those countries but functionally are loans to our exporters. That is going to be a more difficult matter to resolve but I hope the government will take it up in the same spirit that it has acted so far.

Basically, Canada must talk with the other nations of the world that have creditor banks. Nations with creditor banks are also debtors, and the biggest case of that is the United States of course. We must talk with the nations of the world that have creditor banks to get those interest rates down. If the Government of Canada considers it is impossible for Canada to act alone in its own interest rates, and I do not know whether I agree with that or not, but if it does, then its obligation is to take it up with the G-7 and with any other countries that have creditor banks lending at extortionate rates, immoral and economically foolish rates, and have the world interest rates brought down to the point where they no longer destroy the economy of Brazil and threaten the economy of Canada.

The Acting Speaker (Mrs. Champagne): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT

The House resumed from Monday, February 12, consideration of the motion of Mr. Althouse:

Private Members' Business

That, in the opinion of this House, the government should consider the advisability of introducing measures to amend the Western Grain Stabilization Act to include coverage for producers who feed their own grain to their livestock;

and on the amendment of Mr. Funk (p.4792).

Mrs. Louise Feltham (Wild Rose): Madam Speaker, I am pleased to enter into this debate. Stabilization for farm-fed grain is an important issue for farmers in many regions of this country.

Farmers who market their grain through recognized purchasing establishments receive income protection through the Western Grain Stabilization Program and the Agricultural Stabilization Act. Farmers who grow grain to feed to livestock receive assistance and specific consideration related to the value of feed grain indirectly through livestock stabilization programs.

In addition, Canadian grain farmers have received considerable support from the federal government in recent years to help them through particularly difficult periods of depressed grain prices.

The last decade was not an easy one for Canadian grain and oilseed farmers. During the mid-1980s, grain prices hit lows that could not be foreseen during the boom times of the previous decade.

The international trading arena became a nightmare for Canadian farmers. The largest grain exporters, the United States and the European Community, battled to get a larger piece of the grain market pie. They drove world prices down through the use of export subsidies.

At the same time, widespread drought in 1988 plagued both the prairies and regions of eastern Canada. Farmers had to cope with shrivelling crops and low prices all at once.

Throughout these difficult times, the federal government rallied to the aid of Canadian farmers to the greatest extent possible. The government's record in support of agriculture in recent years speaks for itself.

In 1986 and again in 1987, the federal government provided financial support to grain farmers through the Special Canadian Grains Program. A total of $2.1 billion in direct assistance to farmers was provided over those two years.

Assistance through the special grains program was provided for a number of crops. Individualized payments were made on the basis of how much—

The Acting Speaker (Mrs. Champagne): Order, please. Unfortunately I must interrupt the hon. member.

The hon. member spoke on this motion for one minute at one point but was not in the House when it resumed. Hence, she has lost the possibility to speak on it again. I made a mistake in recognizing her today.

Unfortunately I cannot recognize the hon. member again, as she has already spoken on this bill although but for one minute.

Mr. Althouse: Madam Speaker, I rise on a point of order.

When we run into problems such as this often unanimous consent will resolve them. I would be prepared to give my consent to forgo the rules to allow the hon. member to complete her speech. I presume that that same privilege would be granted by the other party.

The Acting Speaker (Mrs. Champagne): If I can have unanimous consent, I would be delighted.

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): I ask the hon. member to forgive me for having interrupted, but I really had no choice.

Mrs. Feltham: Thank you, Madam Speaker. I also thank my colleagues.

The 1987 program also included coverage for summer fallow acreage in western Canada.

The federal government also came to the aid of farmers with the Canadian Crop Drought Assistance Program. This program was developed in response to the drought of 1988 which caused heavy crop damage in many regions of Canada.

In western Canada the 1988 crop totalled just over 31 million tonnes in comparison to a slightly below average 40.7 million in 1989. Farmers who suffered the most severe drought losses in 1988 were assisted through the $850 million federal drought program, which was applicable to all parts of Canada.

In addition, the federal government improved crop insurance programs to strengthen protection for farmers from similar catastrophes. In 1989, as a result of the

severe drought losses of the previous year, the federal government reviewed the crop insurance program. As a result the program is more responsive and coverage is more extensive.

For example, before the changes to crop insurance in 1989 the payment for wheat on stubble in Saskatchewan would have ranged between $32.23 and $52.91 per acre, depending on the risk area. In 1989 the payment for wheat on stubble in the same risk area would range from $49.81 to $85.17 per acre. That is considerably higher coverage.

These changes to crop insurance demonstrate how the federal government is responding to the need for farm income stability. A bill is currently before the House which will result in further improvements to the crop insurance program. The special assistance programs I have mentioned helped farmers with assistance when it was most needed.

But as we know, providing *ad hoc* assistance is not the most desirable away to produce a sensitive, responsive safety net for Canadian grain and oilseed farmers. Farmers from all regions agree that they need a comprehensive regional safety net program which is fair to all grain and oilseed producers.

Efforts to achieve that are under way. As part of the federal government's agricultural policy review, a special committee of industry and government is working now to develop proposals for a new national grain safety net program.

The Grains Safety Net Committee was formed following a national agri-food conference in Ottawa last December. At that conference it was agreed that we had to move urgently on the development of a better safety net for grain farmers. Our Minister of Agriculture gave this issue a high priority and put it on the fast track.

This committee is looking at a number of different safety net options for grain and oilseed farmers. It is expected the committee will be ready to present its proposals to federal and provincial agriculture ministers in late spring.

The Grains Safety Net Committee is just one of many similar groups now working on agricultural issues as part of a comprehensive agricultural policy review.

Defining the problems facing farmers was the first step in this review. Now the job at hand is to develop options, consult with the industry on these options and, finally, take decisions. This applies in all areas under review: marketing, trade development and value added, financial management, safety nets, supply management, transportation, food safety and quality, and sustainable agriculture.

• (1710)

Grain and oilseed farmers are among those most in need of income stabilization at this time. The federal government is responding to that need, as it has done in the past.

The federal government is clearly committed to ensuring, to the greatest extent possible, that our grain and oilseed industry remains viable and productive. Our producers have not and will not be left at the mercy of international trading practices or extraordinary weather conditions over which they have no control. The government's record is proof of its concern.

The policy review is added proof. This wide-ranging review is designed to address concerns with a view to building a healthy, prosperous future for the Canadian agri-food industry. It is the most comprehensive review of Canadian agriculture ever undertaken.

At this time it makes sense to look at the issues such as stabilization for farm-fed grain in the context of the over-all policy review. Now is not the time for piecemeal changes. Now is the time for dealing with issues in a comprehensive way. It is a way that will bring lasting benefits to all Canadian farmers.

Mr. Rex Crawford (Kent): Madam Speaker, it is certainly a pleasure to speak on this motion put forward by the hon. member for Mackenzie.

The motion only asks the government to consider doing something about the effect of paying stabilization on grain that is sold commercially but not paying stabilization on farm-fed grain.

I have to commend my colleague for bringing in a motion like this one because it is time well spent.

When you stop and look at the rationale behind the motion, you have to realize that those producers who grow their own grain are always in the same cycle. When the prices of grain are low, the livestock prices are low as well.

I hope hon. members opposite vote in the true spirit of this motion and not oppose it simply because it comes from this side of the House.

I can tell you from past experience that the way the stabilization act works now is not fair. A farmer who produces his own grain for consumption by his own herd of cattle or hogs cannot be part of the program since he has to subtract what he purchased from what he sold. There is no net benefit.

However, if a farmer is the sole producer of grain, he can be involved in the stabilization program. If he is the purchaser of feeds, he cannot benefit from that.

I believe that a sale should be a sale, no matter which way it goes. As my colleague from Prince Edward—Hastings mentioned last month, whether he sells as a primary producer, whether he sells to the local grain elevator his own grain enterprise in a farming operation, a hog enterprise or a beef producing enterprise, a sale should be a sale.

The current Western Grain Stabilization Act is not fair. The agricultural industry has been waiting and asking for changes to this legislation for a long time.

I remind the House that the following organizations support this kind of move: the three prairie wheat pools, turkey producers, the Sheep Marketing Agency, the Pork Producers Marketing Board, the Milk Marketing Board, the Egg Producers Marketing Board, the chicken producers, the Canadian Pork Council, the Ontario Cattlemen's Association, the Ontario Federation of Agriculture and the UPA of Quebec which is probably the largest farm organization in Canada, as well as many other groups and individuals.

Farmers who chose to use all the grain on their farm were in effect told by the signals of the stabilization act that their type of production was no longer needed and was not appreciated. The end result was that they received less money for their grain production than their neighbour down the road. It sounds like the drought assistance program, and we all know what happened with the drought assistance program.

The mandate that the government gave the review committee referred to boundaries. The Lord knows no boundaries. Mother nature knows no boundaries.

A lot of people in my riding averaged seven bushels of beans to the acre and 48 bushels of corn to the acre when the five-year average for beans was 50 bushels and for corn 142 bushels. These people received nothing. This year for their start-up they have no funding. The program was a disaster.

The administration of the proposal in the motion will not be as difficult as members opposite will say. It has been tried in Alberta, and it is now being copied in Saskatchewan and Manitoba. The formula is there.

It could be applied under the Agricultural Stabilization Act and under the Western Grain Stabilization Act, to provide a payment for farm-fed grains.

There would no longer be discrimination against those producers who chose to feed dairy cattle, poultry or livestock on the farm.

In this House we must all be vigilant to protect our agricultural industry. It is certainly important in my riding and we wonder about the government's priorities. Kent County grows 11 per cent of Ontario's corn production. Agriculture is the strength and an attribute for my riding. In Canada agriculture is the third largest industry. As we enter a period of transition and uncertainty, we must build our strength while coping with mother nature and government cut-backs.

I believe that now our farmers not only have to worry about mother nature and the big banks, but a federal government that has abandoned them. I was pleased to host some of my colleagues last week as we met with southern Ontario marketing boards and individual farmers. Joining me were the hon. members for Lambton—Middlesex, Algoma, Prince Edward—Hastings, and Essex—Kent. We listened, and we learned. There were over 47 briefs presented that afternoon by the different organizations.

All the farm groups appreciated the opportunity to discuss the future of agriculture in Ontario and in Canada. They say that the current government is not prepared to listen to our concerns. They were quite shocked that we were there to hear their concerns, to compile their problems, and to come up with solutions for them.

A $401 million cut to the agricultural budget is not a good sign for an industry in transition and facing uncertainty. It is why I am hopeful that government members

will support this motion, to show their commitment to fairness in agriculture.

As we all know, the government has introduced what it calls a discussion paper on the future of agriculture, while it is cutting program after program. It has drastically altered crop insurance, changed the At and East Program and eliminated the interest free provisions in the advance payments programs, and others, while the Minister of Agriculture says it is difficult for farmers to make long-term plans. Perhaps the minister could better spend his time defending farmers and agriculture from a finance minister who has no idea of the programs he is cutting.

The current stabilization act is not fair. This motion from the hon. member for Mackenzie requests that the government consider changes. Rather than take something away from producers, the government should make an improvement to it.

Everyone involved, producers and farm organizations, are more than willing to sit down and make some positive suggestions. In a spirit of good will and in support of our farmers, I hope the government and all the members of this House vote in support of this motion.

Too often, perhaps, agriculture is overlooked as a priority in Canada. This motion goes some way to improving the lot of our farmers and making the Western Grain Stabilization Act more fair.

I will be supporting the motion.

• (1720)

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, I am pleased to have this opportunity to say a few words on the issue of including farm-fed grain in the Western Grain Stabilization Program and the Agricultural Stabilization Program.

As my colleagues have pointed out in the course of this debate, the issue of farm-fed grain cannot be considered in isolation from other agricultural policies.

Adding farm-fed grain to these stabilization programs seems like the easiest way to acknowledge the contribution which farm-fed grain makes to our agricultural economy. But changing the Western Grain Stabilization Act and the Agricultural Stabilization Act to include farm-fed grain would create a new set of inequities, so we must discuss the issue of farm-fed grain in the over-all context of farm safety net programs.

Right now the federal government is undertaking an extensive review of all agricultural policies and programs. This is certainly one that I welcome. Quite apart from the subject of grain which we are discussing, I know it will be of considerable interest to the fruit farmers of my area.

This government recognizes the urgent need for a safety net program for all farmers, so the Minister of Agriculture has asked, among others, the National Grains Bureau to establish a committee on grain safety nets. The committee includes representatives of both industry and the provinces.

The issue of how farm-fed grain is included in grain safety net programs is likely to be discussed as part of the committee's work.

The agricultural policy review is one of the most comprehensive ever undertaken. It began with the release of the discussion paper *Growing Together* to which the last speaker alluded. The paper outlines the major principles for building agricultural programs and policies to meet the challenges of the future. Those principles are market responsiveness, self-reliance, regional sensitivity and environmental sustainability.

Market responsiveness means aggressively going after markets both at home and abroad. It means concentrating on producing what the market wants and needs.

Self-reliance means getting reasonable returns from the market-place. We will continue to play an important role in supporting that sector and in ensuring that that takes place, but the policies and programs which we have in place should not at the same time distort market signals.

Regional sensitivity means putting programs in place which will reflect regional strengths and advantages, but at the same time these programs should take regional diversity and aspirations into account.

Finally, environmental sustainability means preserving the soil and water resources for future generations. It also means ensuring a wholesome, safe and nutritious food supply. That is in everyone's best interest.

Based on these principles, the paper discusses the issues and the need for change in seven key areas. They are marketing, trade development and value-added processing, financing and managing the family farm, safety net programs, supply management, agriculture transportation, food safety and quality, and sustainable agriculture.

These were the topics for sessions during the National Agri-food Policy Conference in Ottawa last December. Over 1,800 people were at the conference. All sectors of the agriculture economy were represented, from farmers to processors to consumers.

The federal government put the discussion paper and the conference together as a starting point. We wanted to find out if industry and the provinces were willing to work with us in developing policies for the future. Most of the delegates agreed that we should pursue a policy review, and that is what we are doing. Committees with representation from both levels of government and from industry have been set up to deal with the seven main areas that I just identified.

Let us talk about market development and value added. A government-industry committee has been established to look at how competitive we are and how we can become more competitive in a changing market-place.

Another committee will look at how Canada can lead in value-added production. The National Grains Bureau has been working on encouraging value-added production in the grains and oilseeds sector, and the bureau will continue its work.

Looking for value-added opportunities in the international market-place is important as well, but there are things we can do here at home to promote that kind of activity. First, governments have to ensure that their programs and policies do not discourage value-added activity. The Federal-Provincial Market Development Council will be suggesting ways to do this as well.

It may not be well known, but it is a fact that there are 169 barriers to trade between the provinces right now. We are taking steps at our level to eliminate those barriers. Agriculture ministers have signed a memorandum of understanding on the issue. Establishing a binding dispute settlement mechanism to deal with interprovincial trade barriers on an ongoing basis is another important initiative in this area.

A government-industry task force has also been established to look at the management needs of farmers. Over the next six months the federal government will be consulting with industry to develop options for helping farmers improve their management skills.

In the area of supply management, two task forces are already in place: the dairy task force and the poultry task force.

A government-industry steering group has been established to deal with three key issues in the area of transportation policy: the Western Grain Transportation Act, feed freight assistance and minimum compensatory rates. We hope that decisions on these issues will be possible by the end of this year.

Food safety is another area of concern in the agri-food industry. More consultation and communication is needed so that consumers and industry understand the system better and are more involved in the policy-making process. A number of mechanisms are already in place for these consultations. They include the the National Food Safety Advisory Group, the Salmonella Review Board and the Pesticide Registration Review Board, to name just a few.

Another important step is the Conference on Food Safety being organized. It will take place in just a few days in Toronto.

Finally, a federal-provincial committee on sustainable agriculture is in place. A discussion paper outlining the federal position and provincial perspectives should be ready by the end of June. Extensive consultations will be held on the paper and options will be tabled with the agriculture ministers at their annual meeting.

I have outlined the steps being taken in the policy review very briefly. We are facing a number of tough issues. For the purposes of this debate, how we include farm-fed grain in income stabilization programs is just one. We have to look at issues surrounding the Western Grain Transportation Act and the whole area of agriculture in particular.

As I said, in my area we have grain farmers, dairy producers and fruit farmers. They are very interested in this discussion. This is a debate in an area I have

followed very closely because I, along with other members of this House, would like to see one comprehensive policy that will ensure not only their survival but promote their prosperity. We believe that would be not only good for the farmers of this country; it would be good for all Canadians.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I welcome this opportunity to speak to the motion presented by the hon. member for the New Democratic Party, that in the opinion of this House, the government should consider introducing measures to amend the Western Grain Stabilization Act, so that producers will be eligible for certain programs, even if they do not sell the grain they harvest.

Madam Speaker, I read the motion only a few minutes ago, but I decided to take a few moments to support this motion because the subject has been raised by farm producers in my riding. In fact, in my riding, producers are not covered by the Western Grain Stabilization Act but by the Agricultural Stabilization Act. I am told there was an amendment to the motion, to include the Agricultural Stabilization Act. I therefore welcome this opportunity to support the amendment, as well since if the legislation is amended as proposed in the motion and in the amendment, farm producers in my riding will be eligible for coverage when they use their crops to feed their own livestock.

• (1730)

The problem is as follows, Madam Speaker. A farmer can raise certain crops, sell them and, of course, be eligible for the stabilization programs I just mentioned. If a producer has his own livestock, the crops used to feed his livestock are not eligible for the same coverage. This puts farm producers who raise crops and livestock at a disadvantage, compared with producers who specialize in only one of these areas. That is why I felt I had to take a few minutes to show my support for this initiative, and I hope this debate will not take too long and that we will have a positive vote on this motion. Of course, I hope the amendment will be passed so that areas in Eastern and Central Canada will also benefit. And then, of course, the motion as amended can enjoy the support of more members of the House and help more Canadian farmers.

I just heard the Parliamentary Secretary to the Minister of Justice say in his speech—and I hope that I am summarizing faithfully what he told us—that we could not consider this bill apart from all kinds of other government initiatives. It may be true that some other government initiatives help some other agricultural sectors, but I must still point out that the livestock industry, for example, is very cyclical, with ups and downs. In view of this, I think that the House should adopt this motion and encourage the government to make the desired changes to the program. So, Madam Speaker, it is a pleasure for me too to join those who want this motion and the amendment passed.

[*English*]

Mr. René Soetens (Ontario): Madam Speaker, it is a pleasure to rise today on this motion put forward by the hon. member for Mackenzie which states in part: "That, in the opinion of this House, the government should consider the advisability of introducing". That is a typical motion that is usually put by opposition members. It does not give any direction to the government. If the motion had stated that the government "should introduce measures", rather than just "consider the advisability" that would have been more appropriate.

Mr. Boudria: It would have been out of order.

Mr. Soetens: What I have is a more appropriate response to the issue that the member is trying to raise. It is not just the matter of the issue of the Western Grain Stabilization Act.

The federal government is currently undertaking a very comprehensive review of all of the agriculture policies in Canada. The goal of the review is to work with industry, the provinces, and with producers, in particular, to map out a national policy for Canadian agriculture.

The review includes all farm safety-net programs. The issue of how farm-fed grain should be dealt with under grain income stabilization programs is under discussion.

I am sure, as you can hear, Madam Speaker, there are many members who are already cheering the very wise

statements that I am making in this particular presentation about the good things the government is doing.

This issue cannot be looked at in isolation, as is suggested by the motion in front of us. Including farm-fed grain in stabilization programs is an important issue, but one which must be looked at in the context of all agricultural support programs. The agricultural stabilization program and the western grain stabilization program provides regional support to producers when grain prices drop below a five-year average.

Concern has been expressed that the two programs discourage the use of grain as feed on the farm and promote off-farm sales instead. Livestock producers in both eastern and western Canada have asked that farm-fed grain be included under these two programs, and I can certainly understand the reasons for the request.

However, to do this would mean fundamental changes to the structure of both programs. The programs would have to change from being marketing-based to production-based. This in turn raises additional issues.

Yield data would be essential to any new production based formula, and since individual yield histories may be unavailable or difficult to obtain administration would have to be based on regional yield averages. Just a little while back a member from the Windsor area talked about some of the yields that some of the farmers in his area were gaining on beans and corn, so there really would be a problem in arriving at those yield numbers. Payments based on regional averages could mean overpayments to producers with yields below the regional average while those with higher yields would in fact be penalized.

In addition, a production-based ASA or western grain stabilization assistance could result in stabilization payments at times when livestock returns are adequate or higher than average. Other stabilization programs such as the dairy program already include consideration of the costs of farm-fed grain. Some producers could be compensated twice for the same grain.

The Standing Committee on Agriculture which examined the issue of farm-fed grain in its January 1986 report on the Western Grain Stabilization Act agreed that livestock producers could be paid twice if farm-fed grain was included under either of the programs. Their report stated that it should be only for the final products marketed that the producers receive market-risk protection under the Western Grain Stabilization Act or the other act. In the case of livestock producers, they face the livestock market but not the grain market risk. Treating livestock producers as grain producers means the grain may be covered in a raw form and again it goes into the final product.

While including farm-fed grain under either program may give livestock producers more protection, it may also remove protection provided to grain producers when delivery opportunities are reduced. For example, the Western Grain Stabilization Act is designed to trigger payments when reduced deliveries result in reduced sales. That type of protection would not be provided under a production-based program.

The final point is that including farm-fed grain in the Western Grain Stabilization Act or the other act would make both programs more expensive.

Currently, livestock support programs include the price of grain in the formula for triggering payments. When grain prices rise, support prices for livestock also increase. Although the cost of producing farm-fed grain may not be accounted for under existing livestock support programs, actual expenditures for input items are part of the Western Grain Stabilization Act payment calculation.

As an alternative, the cost formula for red meat stabilization programs could be amended to incorporate the cost of producing grain rather than the price of grain itself. This would give better protection to producers who produce their own livestock feed.

The Road Not Taken, a study done by producers through the National Grains Bureau's Grains 2000 program, emphasizes that the livestock sector represents a major opportunity for value-added and diversification in the agricultural sector. However, producers who must buy feed for the livestock might not receive adequate protection under a formula which incorporated the cost of growing feed, not its market price.

These are some of the options under discussion in the farm-fed grain issue. Clearly, this government recognizes the significant role farm-fed grain plays in the Canadian agricultural economy. Excluding wheat, approximately half of all cereal crops produced in this country are fed to livestock. The proportion is even

higher in the maritimes. Even when wheat is included, close to 30 per cent of cereal crops are fed on farms.

That is one of the reasons this government—a government I am a member of—is conducting a review of grain safety nets as part of the over-all agricultural policy review.

• (1740)

The process of reviewing grain safety-nets began with a series of regional meetings between the farm leaders and government in 1988. Meetings were led by the hon. Minister of State for Grains and Oilseeds. Farm-fed grain was an important issue at every one of those meetings.

A grains safety-net committee was established soon after the agricultural policy conference in December, and the committee has met three times in Winnipeg since then to discuss options for a national stabilization program. Recommendations are to be made to government this spring, followed by further discussions with industry. The committee is made up of farm leaders and government representatives from all regions and provinces in Canada. Farm-fed grain is an issue which has been raised at each and every one of these meetings.

Options being considered by the committee include an program in which federal and provincial governments, as well as producers, would share program costs. Other options include a program of individual price guarantee contracts; a full cost of production guarantee; an individual farm gross revenue guarantee; and an individual net revenue stabilization plan.

These and other options are being carefully examined and fine-tuned by the grain safety-net committee and the National Grains Bureau. Committee recommendations are to be included in a report for release this spring.

The government's goal is to develop fair, realistic and acceptable solutions to the problems and issues facing the agricultural sector. A vital part of the review process is discussion at the farm organization level. Farm leaders from all major producer organizations have been involved with a view to developing a grain stabilization plan which could be adapted to suit all agricultural sectors.

It was my pleasure just two weeks ago to mail to many of my constituent farmers the request for them to participate in this whole discussion process. It was not only to participate but to give them some basis of how they might submit their personal concerns and issues to the department. I know the government is consulting very closely and working with farmers to try to solve their agricultural problems.

In conclusion, simply tinkering with the Western Grain Stabilization Act and the ASA will not be enough. Instead, let us continue to look at stabilization of farm-fed grain in the context of all agricultural stabilization programs and work to developing a new, comprehensive approach which will better suit all sectors of the industry.

It has been my pleasure to present this view in this debate today and I hope that members will keep that in mind as we go forward to deal with this particular resolution.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, I am pleased today to speak to the motion that the government should consider the advisability of introducing measures to amend the Western Grain Stabilization Act, most especially to include coverage for producers who feed their own grain to their own livestock.

When we consider the inclusion of farm-fed grain in the Western Grain Stabilization Act and the Agricultural Stabilization Act, we have to bear in mind that such a move is not as simple as it may sound. To add farm-fed grain to the WGSA and ASA framework certainly would require fundamental changes to these programs.

However, cost is really only one of the number of factors we must consider as a government. A basic change would have to occur in the structure of the WGSA and ASA themselves if we were to do this. That is, the programs would have to be changed from marketing-based to production-based programs. It is a major change that would in itself present another set of issues.

The programs, as they were designed, are based on commercial grain sales. If we were to add farm-fed grain,

for which data is difficult to obtain, we would have to base payments on production. In that case, yield data would be essential to this kind of formula.

Individual yield histories may be difficult to obtain, we think, and that would leave regional yield averages as the base for the program. Using that kind of data would create inequities because the producers with high yield could be penalized and those with low yields could very well be over-compensated.

There are other problems with a production-based WGSA or ASA. First, a production-based program could result in stabilization payments at times when livestock returns are adequate or higher than average.

It would also remove some of the protection that producers now have from low marketings when export opportunities are reduced. For instance, the WGSA is designed to trigger payments when farmers' delivery opportunities are reduced and they cannot market very much of their grain. A production-based program would not provide that kind of protection.

We could look at other ways to include farm-fed grain in the stabilization framework. One of those would be to include the cost of grain production in livestock support programs. Currently, the market price of grain is usually included in the calculations to determine support.

Dairy programs, at least to some degree, include the cost of producing grain in support calculations. Including the cost of producing grain in the livestock support calculations would cause livestock support prices to rise when the cost of producing grain increases. The positive note in this option is it would provide an incentive for some producers to produce both grain and livestock in order to be eligible for grain stabilization payments. The downside is that it would work against producers who buy feed for the livestock that they are raising.

Another option that has been discussed is to stabilize revenues from grain and livestock operations jointly. This type of program would be targeted at over-all situations instead of looking at grain and livestock separately. It would have to be operated at the farm level to take into account differences in the importance of each enterprise.

These are some of the options that have been discussed in the past. Farm-fed grain is clearly an issue that should be addressed. But this government is examining grain stabilization in the context of a review of all agriculture stabilization programs.

Over a year ago, representatives of this government, led by the hon. Minister of State for Grains and Oilseeds, held a series of regional meetings with farm leaders to discuss grain safety nets. A subsequent meeting was held in Winnipeg in January, 1989. At that time, farm leaders from all regions of Canada gathered to discuss five options for a national stabilization program which were developed by Agriculture Canada's National Grains Bureau in Winnipeg.

These five options included an ASA type of program in which federal and provincial governments, as well as producers, would share program costs. Other options include a program of individual price guarantee contracts, a full cost of production guarantee, an individual farm gross revenue guarantee, and an individual net revenue stabilization plan.

The individual net revenue stabilization plan was designed under the Grains 2000 program, so it is commonly referred to as the Grains 2000 option.

Grains 2000 is a federal program designed to bring industry and government together to work on policy options for agriculture. The first Grains 2000 task force produced a report on opportunities for value-added production in Canada. It included the net revenue stabilization option as part of this report. That option, along with several others, is now being examined by the grains safety net committee. This group comprised of federal and provincial government representatives and farmers was formed as a result of the agriculture policy review conference that was held last December.

The committee is led by Dennis Stephens, the assistant deputy minister responsible for the National Grains Bureau. This group has met and begun the process of reviewing the options. Their goal is to identify a couple of options, to look at how they may determine the most workable options, and to then present these to the Minister of Agriculture later this spring.

• (1750)

The establishment of the National Grains Bureau was a major step by the government in drawing industry into the discussions on policy development options for agri-

culture. The bureau, which is part of the Grains and Oilseeds Branch of Agriculture Canada, was opened in Winnipeg in April 1988. It is situated in the heart of the grain industry, and is positioned to forge those closer ties between government and industry which are essential, we believe, to the future of agriculture in this country.

Indeed, consultation with the industry is an important component in the agriculture policy review initiated by this government. By working together with industry and considering producers in all the areas of the country, we feel that we can develop fair solutions to the problems and issues facing the Canadian agriculture sector.

Instead, let's look at farm-fed grain stabilization as an issue in the broad context of all agricultural stabilization programs, carry on with this discussion and bring forth the options and suggestions noted in this speech earlier.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I am pleased to take part in this debate regarding the inclusion of farm-fed grain in the Western Grain Stabilization Act and the Agriculture Stabilization Act.

Producers in different regions have raised the issue and questioned why grain fed on farms is not covered under these programs. They have cited this as a perceived inequity between grain farmers who market their grain and those who feed it.

Raising livestock is one of the best examples of value-added production. There is a need in the ever changing global market-place in which we find ourselves to look more at value-added processing, particularly in western Canada.

Agriculture in the west has been traditionally an industry built on the export of raw products. As the industry moves into the next century, the changing world market-place makes it necessary to diversify our agricultural base and export more processed products.

I bring this issue into the debate because it is one of the areas now under review by the federal government. Just as the whole area of safety nets for farmers is being examined by the government and industry, our approach to value-added and market development is also under review, as is food safety, supply management and other key areas.

In other words, we are in the midst of a comprehensive agricultural policy review. We are looking at programs and policies in a broad context. Now is not the time to be making fundamental changes to one particular program in isolation of the review work.

Just a few short months ago, 1,800 industry and government representatives met in Ottawa. They met to begin the task of reviewing the agricultural policies in this country.

Plans to establish a number of task forces in several areas were announced as a result of this national conference. One of those plans, as I mentioned, was farm safety nets.

The current federal-provincial working group on farm safety nets was in place before the conference and will continue its work. The group's key objective is to develop a long term, comprehensive safety net policy for all commodities and for all farmers. The group will prepare an interim report to the agricultural ministers at their annual meeting. Further consultations with farm groups and other interested parties will take place in the fall.

In the meantime, there is an immediate need to develop proposals to assist the grains and oilseeds sector with a national program framework for safety nets. That review is being led by the National Grains Bureau in Winnipeg and work is beginning immediately. It will involve extensive consultation with industry to develop proposals as quickly as possible for this new safety net program. In addition, action is being taken in the area of value-added. The National Grains Bureau again is playing a major role. Much work has already been done, but it will become part of an over-all strategy and policy review system on the part of this government.

A task force is being established to examine the competitiveness of Canada's productive capacity, and the challenges and opportunities in the global market-place. The task force will look at the respective roles of governments, producers, processors, retailers and, most important, the consumer, who is affected by any government proposal. This will allow it to set priorities and encourage consensus for future development and future programs.

At the same time, action will continue on ways to remove rules and practices which prevent the free flow of agri-food products within Canada.

This is a result of a memorandum of understanding signed by agriculture ministers on the elimination of interprovincial trade barriers. As you know, Madam Speaker, the premier of my province, Premier McKenna, was one of the leading forces in that elimination of interprovincial trade barriers, and we hope that we are successful in that. There are now about 170 such barriers to interprovincial trade. We talk of free trade and we talk of global trade but we are restricted within our own borders. Priority will be given to establishing a permanent process, including a binding dispute settlement mechanism to address trade barriers on an ongoing basis.

There are many opportunities for Canadian agriculture to diversify. In these times of low grain prices, it is critical that we look at value-added processing for the future prosperity of the agriculture industry. In my province, this is something which we have achieved. Value-added in the province of New Brunswick is in the order now of close to 50 per cent. In some of the western provinces, that figure is presently in the single-digit numbers, and in some provinces it is less than 5 per cent. The problem is quite obvious, it is staring us right in the face. That is why this whole area of value-added and market development is part of the agricultural review policy.

This government is taking a look at the industry and the policies that shape it. Besides marketing and safety net issues, we are looking at transportation, farm finance, management, food safety, supply management and, of course, sustainable agriculture.

Action on each of these programs will proceed at different rates of speed. Results of consultations and analyses will be forthcoming in the year ahead.

What I want to emphasize here is the context to which this motion to amend the WGSA and the ASA is being made. It is clearly not the time to tinker with safety net programs when a major review of them is under way.

The *ad hoc* performances of previous governments will not be tolerated and we are not going to be part of that. Through the review process, solutions to some of the problems or inequities said to exist in Canadian agriculture policy can hopefully be found. Through this process we can develop the kinds of agricultural programs and policies that will be fair to all producers.

By making fundamental changes to individual programs, we run the risk of creating more problems. Governments will always face problems and they will always face challenges, but when the Canadian people begin to understand what we are attempting to do, I think that will solve some of the difficulties, because farmers and all support people in that industry will support what we are trying to do. That will mean producers, people in the agri-food business, and most of all, as I mentioned before—

• (1800)

The Acting Speaker (Mrs. Champagne): Order, please. The time for the consideration of Private Members' Business is now expired.

[*Translation*]

Pursuant to Standing Order 93, this item drops to the bottom of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

THE ECONOMY

Mr. Vic Althouse (Mackenzie): Madam Speaker, on February 15, I asked the Minister of Finance in this House why it was that he on behalf of his government which was always advising farmers to face up to the market realities, refused to follow his own advice when it came to the value of the Canadian dollar or the interest rates in Canada.

I asked that question because it had just been announced through the press that the Government of Canada and the Minister of Finance had just spent more than $3 billion U.S. of our foreign exchange reserves trying to prop up the Canadian dollar. The result was that an attempt at reducing interest rates fizzled out. The Canadian dollar dropped more than 2 cents in very short order. The market analysts tell us that apparently the market was afraid of both the lower returns that

foreign investors could make in Canadian dollars because of the drop of .5 per cent in interest rates, as well as some trepidation about the upcoming budget.

The Minister of Finance in his response ignored the basis of the question and gave a little gratuitous speech about not being able to bring down interest rates in an unnatural way. The implication of my question was that maybe if he just let the Canadian dollar find its level interest rates would fall along with it and if he would stop trying to prop up the dollar to an unnatural level both the value of the dollar and the amount of interest we would have to pay foreigners to be attracted to Canada would be lower, to the benefit of those of us in the country who try to make our living exporting product.

I represent an area that sells the products of our mines, our forests, our farms and sells a little fish and some fur. All those industries are being devastated by this government's interest rate policy.

High interest rates increase our costs. Every time we have to borrow money to carry on operating expenditures or to add to our capital equipment load, it costs us money as the interest rates go up. However the high dollar is hurting us almost as much, if not more, because we sell on an international market and we usually sell in American funds.

When our Canadian dollar starts to rise, particularly when it is being pushed up by our own government, it hurts. It hurts because the amount of money coming to our pocket is less.

Let me illustrate. The world-wide grain stocks are falling. They are expected to be their lowest in 35 or 36 years at the end of this crop year. The income from the sale of that grain this year versus last year is actually going down because the value of the dollar has shifted. The amount of funds left over when we convert our sale out of American funds back into Canadian means that we have less money actually than we had before.

Let me give an idea of how little my part of the country and my industry is contributing to inflation. I want to point out that when I was first nominated to go into politics I bought a new full size car. It cost me just under $6,000. I had two ways of paying for it. I could either sell seven 900-pound feeder steers and pay for the car, or I could sell just under 2,000 bushels of No. 2 wheat and I could pay for that car.

• (1805)

Right now my neighbours and I have those same options to go out and buy a new car of the same size, but instead of it costing seven of those 900-pound feeder steers it will cost us 25 of those feeder steers to buy the current new car which is virtually the same model it was back when. Or, it will cost us not under 2,000 bushels of No. 2 wheat which it did back when I was a new entrant to politics, but about 7,000 bushels of No. 2 wheat.

I say that because I want to make it very clear to the House, and especially to the Minister of Finance, that if there is somebody contributing to inflation in this country it is not the farmers of Saskatchewan or of rural Canada. It is not the people who work in the mines. It is not the people who work in the forests. The people who are contributing to inflation reside in his Bank of Canada and in his ministry. He should start reacting a little more realistically and come up with some policies that will lower the interest rate. If it it hurts the dollar, fine. It will only help those of us who make our living exporting.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, the government is aware of the difficulties that high interest rates can cause for Canadian farmers.

At the same time, it must be recognized that while interest rates can temporarily be brought down through a more expansionary monetary policy, they can only be sustainably lowered by addressing the fundamental cause of high interest rates: inflationary conditions and large government deficits that presently exist. That is why over the last few years monetary and fiscal policies have been directed toward containing inflationary pressures and reducing the government's demand on available savings.

It is important to recognize that there is no room for complacency about inflation. Inflation is everyone's problem. Complacency in the 1970s led to the recession of the early 1980s. For instance, in November 1976 the inflation rate was 5.5 per cent across this country or roughly what it is today. By the summer of 1981 it had climbed to 13 per cent and the economy was in a mess. Inflation cripples the efficiency of the economy. It impedes productivity growth and it harms Canadian

farmers. The price for many of our agricultural exports is set in world markets and domestic prices must remain stable to allow us to compete effectively internationally.

Interest rate increases over the past few years have occurred in the context of very strong growth in demand in relation to the economy's productive capacity to produce goods and services, with resulting inflationary pressures. More recently there have been some signs that demand is slowing down, but inflation has remained high. Meaningful interest rate reductions will occur as the risk of inflation recedes. To take on additional risks on inflation at this time would be counterproductive.

The rise of the Canadian dollar over the last two years has been a reflection of many factors, not just interest rates. The strength of our economy and investor confidence in Canada's prospects have been major factors. The experience of the 1970s and early 1980s clearly shows that one of the biggest threats to the competitiveness of Canadian producers is higher inflation.

The government will remain committed to lowering inflation in order to lay the foundation for sustained economic growth in all sectors of the economy. I think Canadian farmers will benefit from durably lower interest rates and stable prices.

FOOD BANKS

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, on February 14, I rose in this House and addressed an important issue that is of growing concern to many of us. The issue is the overwhelming increase in the number of Canadians who use food banks regularly for their daily sustenance.

I had received a letter and two documents from the Daily Bread Food Bank, a food bank in my riding, describing on a national level and on a local level the scope of this phenomenon. One of the documents entitled *Canadian Hunger Count 1989* was based on special surveys carried out by food bank organizations in 65 Canadian cities and towns, which represents over half the population of the country, covering 907 emergency grocery and meal programs in the month of March 1989.

• (1810)

The findings indicated that nearly 400,000 people in Canada resort to food and charitable food programs. Of these 400,000 Canadians, 87 per cent get groceries to prepare at home but 13 per cent or over 50,000 Canadians are served communal meals at soup kitchens, children's breakfast programs, drop-ins and shelters. These figures are based on any given month. Applied nationally on an annual basis, the findings indicate that Canadians who use food banks run in the order of 1.4 million, that is, every year 1.4 million Canadians are compelled to rely on the kindness of strangers to feed themselves and their families.

The most alarming of these findings is that although 26 per cent of the population of Canada is under 18, children and youth make up 40 per cent of those using food banks. Hungercount warns, and I quote: "children are twice as likely to be fed by food from a charitable food program as adults".

Although there are some among us who feel that the situation in which these Canadians find themselves is self-fulfilled, a survey of public attitudes taken by Gallup in April 1989 found that 67 per cent of Canadians feel that this crisis is a serious problem in Canada, and close to 70 per cent of Canadians feel that government has a responsibility to solve this problem.

The 87 per cent of Canadians who depend on food banks depend on social assistance, unemployment insurance, old age pensions and disability allowances. Yet, instead of increasing aid either directly or indirectly through improved access to education and training, what has the government done? It has cut back. It has cut back on benefits and education as we saw in the last budget.

This is not a partisan issue. What I have presented in the House are facts. Poverty and hunger know no politics. We in the House should stop playing politics with the very lives of our fellow Canadians. Although there was a motion presented in the House in November 1989, supported by all three parties, there are as many without food and shelter today as there were before the introduction of that motion. Motions do not put food on the table.

The Daily Bread Food Bank distributes 650,000 pounds of food to 11 different food banks in my riding alone. These food banks serve approximately 2,500 people a month. In January and February of this year, they have already distributed 58,000 pounds of food compared to 43,000 pounds during the same period in 1989.

I also have in my riding a unique food service. St. Francis Table offers a full meal consisting of soup, meat, potatoes, salad, dessert, coffee and tea for which it charges only $1 to help defray the costs. With volunteer help, they serve 4,000 to 5,000 meals a month within a five-day week. Half its clientele is made up of people on some type of social assistance. One-quarter are ordinary, average senior citizens and the others are transients and refugees. Very recently, St. Francis Table had to move to a larger facility to accommodate the growing number of Canadians accepting its charity.

When I visit St. Francis Table I ask what is the main reason that forces users to live under these conditions. Nine times out of ten I am told that it is a choice between shelter and food: once they have paid for their shelter, they have no money left for food.

This may not be the case in other towns or cities, but in Toronto where there is so little affordable housing people are literally being forced to trade off one essential for another. The number of people using food banks in metro Toronto is over 84,000, a number equal to the population of Kingston. Over the period of a year, one-quarter of a million people have had to utilize a food bank of one type or another at least once.

These people have an average of $23 a week left over once their shelter has been paid. There are not many of us who can conceive paying for food, transportation, clothing, medicine, et cetera, for $23 a week. One in eight food bank households earns less or brings home less money than its shelter costs. The inevitable reality for these people is homelessness.

This cannot be allowed to go on. We have to get together on a federal level working with the provinces and municipalities to see how best this crisis can be addressed. In a country as rich as ours, we all have to have the political will to work toward a common goal, a goal to eliminate poverty in Canada. We can start with step one: eliminate the need for food banks.

• (1815)

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Thank you, Madam Speaker, for the opportunity to speak today on a subject of primary concern to us as Canadians. I would like to remind the member for Parkdale—High Park that all Canadians, regardless of their political affiliation, cannot rest and be satisfied as long as even one family is suffering from poverty in this country. I commend him for his keen interest in this problem.

Canadians generally enjoy one of the highest standards of living in the world and one of this government's priorities will be to maintain and improve the standard of living for Canadians and their children in the future in Canada.

The sound basis to assure a better future for Canadians and to protect our social safety net is a very healthy and prosperous economy, and in order for it to be a truly caring society, Canada's wealth and prosperity must be shared with those who are less fortunate and are in the greatest need.

Let us first address the issue of growth and prosperity. There is no question that the policies of this government have contributed to the economic growth in Canada. Since 1984 this government has embarked on a program of revitalizing the country. In just five years, as a result of the economic policies, more than 1.6 million new jobs have been created, the majority of them full time jobs. That is important to people who can now make money and take care of themselves.

Canadians in need have been able to benefit from this growth. Since 1984, some 760,000 persons have escaped poverty and average income has risen in that period of time by about 8 per cent. This government has taken the necessary steps to help those most in need and to ensure economic growth can continue.

Despite these important achievements, most Canadians are aware that the country is facing a serious debt problem and last year more money was spent on interest payments to service our national debt than all the programs administered by the Department of National Health and Welfare put together, more than the cost of national health care programs, welfare programs, old age security and family allowances. We end up spending more money on our debt problem than on all those important programs.

Clearly these public debt charges have been putting a lot of pressure on spending priorities and expanding into the social safety net. The survival of these programs depends on the prosperity of this country and we mean to continue that important job.

This government strongly believes in directing resources to programs which help those most in need. One important example is a refundable child tax credit program which is designed to help low and middle income families. The maximum level of the child credit has gone up by more than 50 per cent since 1984, from $367 to $565 in 1989. Close to 5 million children benefitted from this measure in 1989. Also, families with preschool-aged children benefit from a supplement of $200 per child. In total, the child tax credit is worth about $2 billion annually out of the government coffers.

The government has also introduced major tax reforms. About 850,000 lower income Canadians were removed from the tax rolls. In 1986, a refundable sales tax credit was introduced to support low-income families. Effective in 1991, this credit is to be superseded by a new enhanced goods and services tax credit targeted to low-income and middle-income families.

• (1820)

I would like to remind the House of the recent adoption of the United Nations Convention on the Rights of the Child. This convention is intended to protect and promote the physical, spiritual, moral, social and cultural development of children. Clearly, actions pertaining to the conditions and rights of Canadian children will have to be taken in co-operation with the provinces.

In addition, recently the Minister of National Health and Welfare announced that the federal government would be pledging $1.3 million toward the establishment of a 24-hour national hotline to assist children in trouble.

Certainly the government has taken heed of low-income families, of families in need. The most serious is young children who are in need in low-income situations. The government concentrated on all those things and as our economy becomes more buoyant we can more to help alleviate the problems that the hon. member for Parkdale—High Park has mentioned.

TRANSPORT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on February 14 of this year I rose in the House to ask a series of questions of the Minister of Transport, who has now gone on to other duties.

The questions related to the announcement the day before by Bombardier of Montreal that it was prepared to invest in a high speed rail passenger system in this country. Bombardier indicated that the only way it was possible to develop such a system from the financial side was if the federal government participated to the tune of $1.7 billion.

The proposal by Bombardier is being paralleled by a study being done by the provinces of Quebec and Ontario. They just held hearings in this city this week and will be holding hearings throughout the area along the corridor.

A number of people have expressed interest, including obviously provincial jurisdictions, and the Bombardier Company. Lavelin, through its subsidiary UTDC, is indicating its interest and willingness to work in co-operation with Bombardier for the maintenance of facilities at their plant in Kingston, which is along the corridor.

The Standing Committee on Transport has long held interest in the concept of high speed rail. The New Democratic Party has proposed that high speed rail is the way to go, particularly in the corridor.

We just heard in the transport committee from the new Minister of Transport about the update on the study of south central Ontario *vis-à-vis* air services. We know there is massive construction at Pearson International Airport right now for Terminal III. We have an environmental assessment review process under way to give consideration to the addition of one or two more runways at Pearson International to handle the ever increasing air traffic. We heard from the Deputy Minister that Pickering is not dead, but is still on the table as a possibility for a second major airport in Toronto.

The whole concept of high speed rail connecting Windsor to Quebec City, but more important, Toronto-Ottawa-Montreal, even at a high cost of $3.5 billion or $3.4 billion is quite competitive, both in financial terms whether it be private sector dollars or public dollars and in terms of the time factor. High speed rail can compete head to head with air, downtown to downtown, getting people from Toronto to Ottawa by rail faster than by air. People can arrive at the city, not harassed because they had to drive to the airport through the congestion of Toronto, go through security, wait on the tarmac, fly through rough weather to Ottawa, and go through the

process of getting out and driving to their destination. City to city, downtown to downtown rail is economical and feasible. The Government of Canada has a responsibility because in addition to the economics and the speed and service, there is the environmental question as well. There is no question that high speed electric rail is extremely more environmentally friendly than air is today or will be in the next 20 or 30 years.

• (1825)

I suggest that the answer that the minister gave me, that the Government of Canada could not afford to participate, was wrong. We cannot afford not to participate.

We are spending billions of dollars on air. If we spent the same billions of dollars on rail, we would be able to move more people faster, safer and with much less an impact on the environment. I will wait with interest to hear the response from the government to find out the elaboration of its refusal to once again participate in something that is environmentally logical and financially sound.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I would like to commend the hon. member for Thunder Bay—Atikokan for his long-standing interest in transportation. I also appreciate his interest in the corridor because that is the area where I come from and it is an issue that we should be talking about.

The government is aware of the arguments that have been put forward in favour of the development of a high speed rail service in the corridor. However, the federal finances available for rail passenger services are fully committed at this point in time to the network that has been established for VIA Rail, an argument we have gone through recently.

The current climate of fiscal restraint necessarily limits the federal interest in proposed high speed rail projects only to the extent of not having adequate resources. We are interested in a privately and commercially financed and viable venture.

As the hon. Minister of Transport has assured the House, he is willing of course to consider all proposals for a transfer of any rail passenger service to third parties, as well as proposals concerning new technology that the hon. member is interested in.

VIA has been asked to pursue all such opportunities and report to the government on a case by case basis. The high speed train proposal being advanced by Bombardier is precisely the kind of initiative that the government had hoped would take place in the private sector. The government encourages those kinds of efforts.

The royal commission that has been set up is examining the role of all inter-city passenger transportation modes in the 21st century. The potential of the high speed rail will undoubtedly, as the hon. member probably knows, be part of that examination.

As I have mentioned we are willing to consider any proposal Bombardier may wish to put forward. However, the government is not in a position, at this point in time, to make a commitment as to its participation in such a project. But we are very interested in seeing the proposals when they come forward and we thank him for his interest.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion that the House do now adjourn is deemed to have been adopted. This House therefore stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, March 23, 1990

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

ALLOTTED DAYS

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise on a point of order. Yesterday I rose in my position as the Whip of the government party with a special House responsibility for notifying my members of the time of votes. We had quite an extended discussion in the Chamber about the kind of notice members are required to have for those votes.

There is another issue I would like to raise this morning, along the same vein. For some considerable period of time, and operating with the general consent of the House, shortly after the bells began to ring a clock would appear on our television screens indicating the maximum amount of time that was available for members to arrive in the Chamber prior to the commencement of the vote. This is a very important principle.

All members will know that according to the Standing Orders of the House, it is possible for the Whip of the Official Opposition and the Whip of the government to walk down the aisle and indicate to the Chair that they are ready for the vote, at some point between the commencement of the bells and the maximum amount of time for the bells ring. In this way we can take the vote more quickly.

We did that for particular reasons on two or three occasions. Some members rose subsequently in the Chamber to indicate that they were not happy with us moving more quickly than the clock indicated. In other words, the clock was providing them with information that in their minds was not correct. We have had these arguments expressed in the House.

Later this day, according to the ruling made by the Speaker yesterday, it is very likely that we are going to have a vote. The Speaker has ruled that members have been given adequate notice of a confidence vote on a Friday, a very unusual circumstance. I cannot remember the last time it has happened in my parliamentary career, and I have been here about 11 years. Nevertheless, that is the situation we face today.

What members need to know when those bells begin to ring is whether or not the time remaining before the commencement of the vote will be displayed on the television screen. To overcome some of the problems caused to some of the members, and I may suggest it was a tiny minority which led to a kind of administrative decision to take the clock away, I think we can resolve this matter.

There are two people in this Chamber who have the responsibility to walk down the aisle and indicate to the Chair that we are ready for the vote. One is the Whip of the government party, or the Whip's designate, the other is the Whip of the Official Opposition, or that Whip's designate.

When bells begin to ring, if either one of us approach the Chair and indicate that we are not going to walk down that aisle until the maximum time has expired, then the clock could commence on the television screen and members, with a sense of soreness, would know exactly when the time had expired and when the vote was to occur. I think that operates in the best interests of the whole House.

• (1010)

If the clock does not appear, then members have to be alert to the fact the vote might occur at any moment and that they should move quickly. But if either Whip goes to the Table and says: "It is not my intention to walk down until the maximum time has come," then I suggest the clock could come back up on the screen and members would have the certitude of the time of the vote.

Surely, in a democracy, the most important responsibility we bear in the final analysis on behalf of our constituents is to be present in the Chamber to cast a vote on their behalf. It is the reason why notice provi-

sions exist. It is the reason why we have standing orders which give notice of certain kinds of intentions so that members can have a degree of certitude.

We think that the clock added to that certitude. Many members on this side of the House were very unhappy when the clock disappeared, others felt clotheslined.

To avoid some kind of administrative problem in the future, perhaps we should pass a motion in this Chamber, by unanimous consent, that might incorporate the notion that when bells begin to ring, if either the Whip of the Official Opposition or the government Whip approaches the Table and indicates that they intend to use the maximum amount of time, then the clock appear on our television screens.

I would like to hear from other members in the Chamber, independent members, or from the Whips' offices of the New Democratic Party or the Official Opposition. I think now is a good time to resolve that issue so members will have certitude about votes in the future. Nothing is more important for us than the maximum amount of certitude about when votes are required and in particular a non-confidence vote.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, this is all very interesting. I too liked the clock that was available for members of Parliament on the television screen for those of us who are in our offices, at committee meetings or elsewhere on Parliament Hill.

I do think that perhaps this issue should be discussed at the House leaders' meeting. Essentially, what the Chief Government Whip is proposing sounds eminently reasonable. But the floor of the House of Commons is a rather unusual place to have a House leaders' meeting.

Probably more fundamental than anything raised by the Chief Government Whip is the fact that the supply convention of this House is such that before granting supply to the government, this House has a right to air its grievances. This is a supply day today, as is Monday. Surely, our time should be spent airing the grievances of the people before the Government of Canada before deciding whether or not we shall grant this government supply. That would probably be a better use of our time at this point than the issue we are discussing right now.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I find it interesting that on an opposition day the Chief Government Whip has chosen to raise this particular motion. There has been ample opportunity all week to raise it privately with representatives of the other two parties.

I, for one, like the compromise that has been suggested. I would prefer if members of the Liberal party had not always caved in to work with the government to short circuit our delaying of the House, but so be it. That is their right.

I would suggest that we move on to Orders of the Day and that we leave matter this for the House leaders to work out.

Mr. Hawkes: Madam Speaker, I believe that this issue, according to our patterns of behaviour, is really a Whips' issue. It is the Whips who have the defined responsibility. There have been some consultations. I would like to seek unanimous consent of the House for the clock to appear when the bells begin today.

We have an important confidence vote on a Friday, a very unusual circumstance, and I would like you, Madam Speaker, to ask the House whether there is unanimous consent for the clock to appear on the television screen today when the bells begin to ring. I would give my assurance that I will not walk down the aisle until the maximum amount of time has elapsed.

Mr. Boudria: Madam Speaker, if I may respond on behalf of my colleagues, I am prepared to agree with that for today only and for discussions to continue in the normal way outside the House of Commons in order to resolve what does not seem to be a disagreement anyway.

Meanwhile, let us agree for today so that we can deal with the issue of supply which is fundamental to our parliamentary institution.

May I suggest, Madam Speaker, that we move to Orders of the Day.

Mr. Angus: Madam Speaker, I concur with the suggestion made by my colleague from Glengarry—Prescott—Russell that we agree for today only.

The easy solution would be for the government Whip to have his people in place at 2.45 when the bells start to ring.

The Acting Speaker (Mrs. Champagne): Obviously, there is unanimous consent for this to be so for today. We will move to Orders of the Day.

VOTING PROCEDURE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I, too, rise on a point of order, Madam Speaker, that is somewhat in the same subject area, but which is a very different point. That is the question concerning what I believe has become a habit in the last while of members explaining their votes or rising after votes to make comments.

It is my understanding that once the House has divided, that ends the question. I have just taken the liberty of going through the last three months' of *Hansard* to look randomly at votes. Very often, people say things such as, and I quote from page 7436 of *Hansard*:

Mr. Volpe: Mr. Speaker, unfortunately I missed the vote. Had I been here, I would have voted nay.

At page 7659 of *Hansard*, there is another explanation:

Mr. Riis: Madam Speaker, I was inadvertently delayed, but for the record I want to indicate that had I been here for the vote I certainly would have voted against government—

For that particular day, there is almost a page and a half of interventions recorded in *Hansard* making various explanations about the votes that happened on that day.

Here is another really interesting one. At page 8724 of *Hansard*, there is Division No. 195 which was eventually defeated. What I find interesting is that Miss Grey rose in her place and said:

> Mr. Speaker, I would just like it to be on the record that I am in the Chamber at present and am choosing to abstain on this motion.

Then it goes on with various comments from there. There are all sorts of comments. Mr. Benjamin said:

> Mr. Speaker, I also rise on this point of order. There is no such thing as an abstention in the House of Commons.

It continues on for a page and a half.

Point of Order

What is clearly happening is that our tradition of having the vote and that being the end of it is being eroded. Now, on a regular basis, we have members rising in the House to say: "Madam Speaker, I was late coming in. Had I been here I would have done this, I would have done that or I should have done this". It is prompting a whole round of points of order.

Our rules are very clear. If we look at at Citation 223 on page 75 of Beauchesne's fifth edition, we see that it states the following:

> (1) A Member must be within the House and hear the question put in its entirety, in one of the official languages, or his—

—and one would "her"—

> —vote cannot be recorded. It is not sufficient for him—

—and I add "her"—

> —to hear it while he is in a gallery or behind the curtains.

Beauchesne's is very clear. If a member wishes to vote on a item, he or she must be in their place in the House. To stand up later and say: "I'm sorry, I wasn't here," and then try to explain to their constituents that they would have done such and such, I believe is an abuse of the rules, an abuse of members' time, and an abuse of House time. It is something that is clearly unacceptable.

The book entitled *Précis of Procedure* is a helpful book. On page 53, under Recorded Divisions, it states:

> Recorded divisions are conducted formally according to various rules and practices. Standing Orders permit no further debate when Members have been called in to a division, and specify that when the Speaker is putting a question—

—and this is the important part—

> —no Member may enter, leave or cross the House, or make any disturbance. Members must be in their seats to vote, and must remain seated until the result of the vote is announced. A Member may abstain from voting simply by remaining seated during a vote. Such abstention is not, however, recorded.

• (1020)

I just read an example a few moments ago of a member who abstained but then stood up and drew the attention of the House to the fact that she had abstained. It is that kind of thing that has been developing lately that I think is wrong. I think it needs to be corrected because the rules on voting are very clear—a member is to be in his or her seat to hear the motion put. They are to vote if

they choose. If they choose to abstain, then they are to remain seated.

What I think has been going on is something that needs to be arrested. I want to bring it to the attention of the Chair and ask that the Chair give it very serious consideration and bring back to this House the tradition and practices that we have followed in the past.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, again all of this is very interesting. I have had an opportunity to discuss the issue with my colleague, the hon. member for Kingston and The Islands who is the opposition spokesman on the Standing Committee on Privileges and Elections. I am pleased to announce to my colleague across the way that we are willing to provide unanimous consent to refer this issue to that committee if that is the wish of the government.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I note with interest that the Parliamentary Secretary to the Government House Leader did not indicate very clearly that it was government members as well as opposition and independent members in this House who have taken the opportunity to advise the House of their intentions had they been in their seats at the appropriate time.

I would like to concur again—and this is getting dangerous on a Friday morning—with my colleague from Glengarry—Prescott—Russell that a reference to the Standing Committee on Privileges and Elections be made to examine this matter. It would be more than appropriate. We would give our consent as well.

Mr. John Manley (Ottawa South): Madam Speaker, the sole point that I wanted to raise in response to the comments by the hon. member for Peace River is that there are occasions in the House where, by unanimous consent, a subsequent recorded vote is not taken in order to save everyone time and trouble in recording that vote. It is occasionally the case, and I have had the experience myself, where I wished to abstain on one of a series of votes but not on the others. In that event I suggest that the Chair ought to recognize that the procedure ought to accommodate the need for members not to delay the entire House by demanding full recorded votes but to distinguish perhaps between motions on report stage where votes may want to differ.

Mr. Cooper: Madam Speaker, to respond to my friend for Ottawa South there are indeed certain circumstances where our rules provide for members to stand and declare a concern they may have with a particular vote, i.e. if they have a pecuniary interest, or if they were paired. Members have from time to time indicated: "Yes, Mr. Speaker, I was in my place. I would have voted but I was paired". It is part of the relationships that have developed over the years in the House.

When I rise on this point of order it is not simply to say it is the opposition members who are guilty of that. I think that we on this side have also done the same thing. That proves my case rather than refutes it because in fact what is happening is that we are keeping this practice going.

As it relates to the question of reference to a committee, I do not agree with that. I do not think we need to make a reference to the committee. Our rules are clear. Beauchesne's lays it out very nicely. We do not at this point need another reference to a committee. We simply need to go by the practices, traditions and longstanding habits we have in this House of Commons which I think on this particular subject have served us very well.

We do not need a royal commission. We do need a study. We just simply need to act on what we have to guide us in our present rules.

PROCEEDINGS IN CHAMBER

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I want to raise what I think is a very serious and important point of order arising from the discussion that took place, in particular the remarks of the member for Thunder Bay—Atikokan when he was making his presentation to the House. I do not want to prejudge this matter. Madam Speaker, you will have the opportunity to look at the official records of the House to determine exactly what was said.

My hearing indicated to me that what the member for Thunder Day—Atikokan said—and I think he was responding to the member for Glengarry—Prescott—Russell in the exchange—went along these lines, Madam Speaker, and I want you to carefully note what I am saying. The member for Thunder Bay—Atikokan, as I heard his remarks, accused the member for Glengarry—

Prescott—Russell of not co-operating in the delay of the House. I think he said: "Cave in to the government", in not co-operating in the measures to delay the House.

If I read the rules of the House and authorities such as Erskine May, I see it is a very serious matter to delay improperly the process and proceedings in this House of Commons.

It is also very clear under our rules that the Speaker of this Chamber has the authority to remedy any attempts by members of this House to obstruct and delay the proceedings of the House.

I hope, Madam Speaker, that you would call the attention of the Chair to those remarks which evidence what we all know has been going on in this House of Commons day after day, week after week—an intentional delay of the processes and procedures of this House in order to obstruct government business.

Normally, one could not make that charge because you would be imputing motives to the opposition members. You are saying that they are showing contempt for the rules, processes and procedures of this House. I am not making that charge myself. I am simply saying, examine the words spoken by the member for Thunder Bay—Atikokan, recorded in the official records of this House and determine whether that does not evidence an intention to improperly delay the processes and procedures of this House; and not only do they have this intention, as evidenced in these remarks, but they are even accusing other members of not co-operating in this improper, unfair action, an action that could never be said to be in the interest of Canada, and never could be said to be in the interest of parliamentary process or procedure.

We have rules in this House, rules that are fairly made, made with the consensus of all members of this House. If there is a deliberate attempt to defy and obstruct those rules by causing unnecessary delay, then I think the Chair should take some action.

In summary, what I am saying is examine the words, they are on the official record. I believe the Chair will find, by reason of the accusation to cave in to the government made by the member for Thunder Bay—Atikokan and not co-operate in delaying the work of this House, there is sufficient evidence upon which a conviction can be based.

Point of Order

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, this must be Friday. Things are getting a bit bizarre.

I would encourage you to examine the words I used. I would also encourage you to examine all of the events of the last three or four months as they relate to the operation of this House. You will find that in no way has the New Democratic caucus broken any rules of this Chamber. We have used the rules in order to point out our objections to a specific piece of government legislation, the goods and services tax. We have been thwarted in some ways in our attempts to frustrate the government by lack of assistance from the Official Opposition.

But, Madam Speaker, we have not broken any rules. At no time did the Chair find that we had broken any rules. I urge you to get on with the business of this House so that we can hear from the member of our caucus speaking on a very important issue which the government has decided is a matter of confidence. Obviously the government does not even want the Deputy Prime Minister, assuming he is going to speak for them, to get a chance to speak.

• (1030)

Mr. Jim Hawkes (Calgary West): Madam Speaker, my hon. colleague from Halifax has raised one of the most serious issues which has been on the table since the commencement of this particular Parliament.

When we come to this Chamber as new members, we get our first copy of Beauchesne's and have a chance to look at our purpose in being here. The words that stuck in my mind right from the beginning were that this was the highest court in the land. It should be a place of dignity, decorum, and process, process which is fair to all members.

In the final analysis, while the people on the street might think that the Prime Minister is my boss or that the hon. member for Windsor West is the boss of the Liberals or the Leader of the New Democratic Party is the boss of the NDP, that is not true. All of us are subject to the same conditions in being here. Our bosses are the people of our riding. They send us here expecting us to conduct ourselves in a manner that will lead to thoughtful decision making and to legislation that operates in the best interests of Canadians.

You have to ask yourself, Madam Speaker, whether or not that has been happening in the last year and a half as often as it should and as well as it should. This week we saw pictures on television of members of Parliament with

blankets and pillows because a committee had to meet for 31 straight hours, the equivalent of 20 sitting days of normal meetings, simply to listen to a filibuster. Canadians had an opportunity to watch that on television and they saw the childish behaviour.

Another example perhaps underlines in clear-cut House of Commons terms that we have a problem, and it is a problem that perhaps in the final analysis only the Chair can resolve. One day this week, we were debating a very simple motion in our Standing Orders, that the debate shall not be further adjourned. That is a motion which sits there so that the House, in a specific instance on a specific day with a specific piece of legislation, can break the tyranny of the minority. The majority shall, in the final analysis, rule when and if it is necessary.

In previous Parliaments and in the history of this country that was necessary from time to time but infrequently. If we look at the precedents in the British Parliament or Parliaments around the world, this occurs when necessary but infrequently. In my time in this Chamber I can remember a filibuster around the Constitution which went on for several days. I can remember the ringing of the bells which blocked the House for several days and led to some different rulings from the Chair.

Mr. Boudria: Did you charge the Chair, too?

Mr. Hawkes: I suggest the member across the way—and if I could say it once again for the House—go back to the television tape on the night that the Chair was charged. He will not see me charging the Chair.

Mr. Boudria: Only your House leader did.

Mr. Hawkes: There was an instinct to charge and it was very difficult to remain seated in the circumstances, but I want it clearly understood that anybody who stands in this Chamber from now on and says that I charged the Chair is lying to the House. Because this is about the fourth time I have said this, I suggest that they are lying to the House deliberately, because it did not happen and parliamentary immunity does not entitle members of this House to stand in this place and charge a member with behaviour without putting their own seats on the line. If you think I charged the Chair, charge me in here; do it formally. Let's go to committee, and if I am right and you are wrong, resign. That is what a charge is all about. At a later time today I want to get back to that on a question of privilege. I have another one about a charge. I made a charge in this Chamber, and I think charges are very serious.

However let me deal with the point at issue before us now. In a democracy, the majority cannot be the captive of the tyranny of the minority, yet there must be a process that allows free and fair participation by minorities. It is a balancing act which is largely in the hands of the Speaker and the House, if necessary, in the final analysis.

During the division earlier this week when we were debating the motion that the House shall not further adjourn, members of the NDP were shouting "34". They were counting. What does 34 mean? It means that on 34 separate occasions in the life of this Parliament, which is a relatively short life span, this House has had to take time and money to overcome obstruction by a majority vote in this Chamber.

We met for two weeks in December 1988. We came back in April, 1989 and we have met on a regular timetable since, but we have not really had even one year of normal sittings. Normal sittings are about 175 days and, according to the NDP, we have had to use the time of this House, the $1 million a day that this House costs, on 34 occasions to overcome obstructionism.

That is childish. In the junior high schools or the elementary schools of this nation, in any fraternal organization, in any church group or anywhere else in society, that kind of obstructionism would not be tolerated.

Is this obstructionism on matters of great principle? Do you know what we were debating in this Chamber this week when we had to move that motion? Minor changes in crop insurance affecting the farmers of this country, and in particular western farmers. Members of the New Democratic Party by and large come from western Canada. They did not even vote against the legislation in the final analysis; they simply blocked. At $1 million a day they block, they block, they block.

This week they read in the rules of this House that they had to give 48 hours' notice for a vote today and they embargoed the Table from telling members of the

House. That is blockage. It was never intended. It was never contemplated.

Mr. Harvey (Edmonton East): The Speaker ruled that we were right.

Mr. Hawkes: The Speaker has ruled that procedurally in some kind of legal way correct, but it is a brand new sense of obstruction of causing a vote. We will watch, Madam Speaker. There are 40–some members of that party who are supposed to be here to vote this afternoon, and how many will there be?

The Acting Speaker (Mrs. Champagne): Order.

Mr. Harvey (Edmonton East): Madam Speaker, just for clarification, is the hon. member saying that the Chair yesterday was incorrect in its ruling?

Mr. Hawkes: I am talking about the New Democratic Party being incorrect in asking and putting the Table under the gun, in using a notice provision in the rules and then asking the Table not to tell. That is being legally correct, but there is nothing in that initiative that speaks of any concern for the taxpayers of this country.

Madam Speaker, do you know how many dollars this vote this afternoon is going to cost? We have members flying in from thousands of miles away because it is a confidence vote. Canadians understand the cost of an airline ticket. They read the newspaper ads for the bargains on airline travel. They may live in Calgary and have relatives in Nova Scotia. They find the bargain $350 to $400 ticket, plan ahead and go.

But they embargoed that information, and our members are having to fly in to this city today for a vote this afternoon. They may have had to cancel engagements that other people were paying for. They are also having to travel without the bargain tickets, paying full fare because it came at the last minute. How many hundreds of thousands of dollars are the NDP costing the taxpayers of this nation today, when in fact this vote could have occurred on Monday? There will be another vote on Monday and we will contrast how many members of that party are here for the vote today and the vote on Monday.

• (1040)

If they were really interested in representing their constituents in this Chamber, the people who pay their salaries and send them to this place, wouldn't they like to have a vote on a day they could be here? I predict that they will probably have twice as many people here on Monday as they have today in support of their own motion, and yet they will have caused $50,000, $75,000 or $100,000 worth of taxpayer's money to be spent on extra travel because they would not tell us on Wednesday night that they had given notice.

Members left and went to Vancouver, Yellowknife, Newfoundland, and Boston to do the work that the taxpayers are paying them to do. Today, they cannot do that work because they are on airplanes and the taxpayers are paying for it. Maybe some of them can leave in time to get back to their ridings to work on the weekend and maybe some of them cannot even make it so they are missing two days' work. That is a waste of taxpayer's money that they are causing through some of kind of childish view that this place should be obstructed, hour after hour, day after day, on things they do not even oppose.

This week this Chamber sat late on Wednesday night under the conditions of the motion that the debate should not be further adjourned to finish a crop insurance bill that they did not even have the guts to vote against. They rose in this House and took a lot of time this week, after 31 hours of obstruction in committee, lots of television pictures with pillows and blankets, and then into the House with another $1 million worth of obstruction today on that. They stood in this House and obstructed and obstructed and obstructed.

The toll of 34 occasions is not my number. I sat here and listened to the music. They are bragging that in less than one full year of sittings in this Parliament they have obstructed this Chamber on an absolute minimum of 34 days, which is an absolute minimum of $34 million.

We do not move the motion of time allocation or that the debate shall not be further adjourned on the day things commence. For each of those occasions which they count and said what we have had to do to overcome their obstruction, there is at least one day that precedes it and the doubling of 34 is 68. In reality in this Chamber alone, let alone committees, they have obstructed to the tune of a minimum of $68 million in less than one year.

They stand in this Chamber and they talk about program money for women, for native people and for many good causes. Something like $100,000 worth of travel money today will be going primarily to airlines and

to taxi companies that we would like to have for women's groups, for natives, and for the health care system. But no, the New Democratic Party in its childish behaviour has decided that it prefers the money goes to CP Air, Air Canada, Blue Line Taxi, bus companies and car rental companies. That is what it would prefer, that we go to the taxpayers, take the money out of their pockets and give it to the travel companies.

Why? So we can stand in this Chamber this afternoon at three o'clock and count how many out of those 43 are here. No more than half, probably a quarter. Then we will do a count on Monday when there is already a scheduled vote. We could be voting on today's motion on Monday, saving taxpayers $75,000 or $100,000. Members would have been able to do two days of hard work instead of two days of travelling to the far corners of this country. That would have been sane, sensible and practical.

Surely it is time for members of the New Democratic Party to have a seminar. Maybe the seminar should begin with Beauchesne's. Maybe it is time for them to go back to the beginning and read the books that guide our behaviour in this Chamber, read the books that tell them what the place is for as the highest court in the land, that we are to move—

The Acting Speaker (Mrs. Champagne): A point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, surely it is time that the hon. member came to his point of order. He has been all over the map, whining and snivelling about what might happen this afternoon. I wonder whether it is not time for either the member himself, or at your request, Madam Speaker, to come to his point of order and make it possible for you to make a judgment and make it possible for the House to get on with the business of the House, which is apparently what the member himself would like the House to do but which he is now preventing.

The Acting Speaker (Mrs. Champagne): The Chair is being quite patient in listening to the points made by members of all sides. It would be quite helpful to the Chair if the hon. member for Calgary West would confine himself to the point of order he is trying to make and help the Chair in coming to a decision.

Mr. Hawkes: Madam Speaker, I would hate to be accused of filibustering the Chamber and wasting time, especially given the arguments I am making. I cannot help responding to my friend who interrupted me. The last time he did that was just three or four weeks ago. I brought to the Chamber's attention that one of the obstruction tactics employed by two members of his party was to vote twice. I put my seat on the line and I made the charge. He had not been present in the Chamber, but he stood up and said I was a liar; that was the impact of his words. He was not present, he did not see, but he said that I was a liar. Today he is trying to imply that I am a snivelling something or other.

Mr. Blaikie: Whining and snivelling.

Mr. Hawkes: He speaks about himself, about the thoughts that must be in his heart and his mind and not in mine.

Mr. Kristiansen: What is your point of order?

Mr. Hawkes: Does he have the courage to stand in this Chamber today and say: "I took your advice and I looked at the tape and you were right. My members voted twice"? Did he look at the tape? I suggest that he might. Did he look? Did he see? Is he willing to apologize to the House, or does he want to engage in character assassination?

The Acting Speaker (Mrs. Champagne): Order. The hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, I asked the hon. member and so did you to get to the point of order he is making today. He is trying to recall some previous debate that he and I had. I stand by everything I said in that previous debate, but that is not what we are debating here today. If the member has a point of order to make, let him make it.

Mr. Hawkes: Madam Speaker, my friend from Halifax raised the issue of obstruction in the Chamber. We have had a previous debate in another circumstance this week about the role of the Speaker in relationship to obstruction. The debate in a procedural sense is engaged. At what point does the Speaker act in the face of obstruction? At what point does the Speaker protect the democratic institution called the Parliament of Canada from the tyranny of the minority?

Surely any objective reader of parliamentary history, going back for decades and centuries, knows clearly that there is a role and a place for the Speaker of a Chamber to act, to seek the concurrence of the House that the actions are justified, that they are warranted in the individual case. He does that when the whole democratic process as expressed through its institutions is captive of a minority whose sole purpose, aim or objective is to be obstructive.

• (1050)

I suggest to you, Madam Speaker, that some other colleagues would like to give you a few examples of that obstruction. There is such a large menu that this debate could probably go on forever. The piece of evidence I bring to your attention is the behaviour of members of the New Democratic Party on Wednesday of this week during the vote that was caused by the acceptance of the motion that the House shall be no longer adjourned. They were using "34" and bragging that they had obstructed this Chamber, in less than one normal year of sittings, on 34 separate days. That is not evidence that comes to the Chair from members on this side of the House or from the Official Opposition. That is evidence which members of the NDP provided to the Chair themselves this week during the course of a vote.

The issue is: Shall it continue? Is the norm going to be that the House has to address itself to obstructionism 34 times every year? Remember, the House will not address itself to obstruction on the first occasion or the second; quite often it is the third or the fourth. Those 34 occasions represent an absolute minimum of 68 days of House sitting time and realistically probably about 102 times, which represents half the budget of this place. That is well over $100 million of taxpayers' money that is being spent on nothing constructive, nothing positive and nothing useful for the nation; simply on obstruction.

I suggest, Madam Speaker, that we have to think it through. Perhaps the Speaker would like to deal with the parties informally to try to resolve it in that fashion. It cannot be allowed to continue indefinitely. This place is too important. Democracy is too important. We must have a process which is fair and a process which ultimately acts in the best interests of the taxpayers of this country and of the voters of this country. That is the importance of this particular point of order.

Point of Order

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I rise on the so-called point of order. I have two points to make.

First, I want to remind the hon. gentleman to remind himself of who rang the bells in this place for 15 days, and an agreement was reached on exactly the same proposal at the beginning of the 15 days in order to end the bell ringing, so he is in no position to talk.

Second, the hon. gentleman is asking the Chair to intervene in the proceedings of the House when there has been no violation of the rules. The Chair will intervene when members of the House conduct themselves in violation of the rules. That has not occurred, and whenever it has the Chair intervenes. For the hon. gentleman to ask the Chair to intervene when no rules have been violated shows a great deal of ignorance and lack of respect for this House.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I want to take a couple of moments to speak to the question of obstruction. I think it goes to the fundamental roots of Parliament. If we look at what Parliament is all about, it was to give people an opportunity to debate the way in which taxes are spent and collected and the governing of our country.

Mr. Hovdebo: Sixteen days of bell ringing gives lots of opportunity.

Mr. Cooper: There are two elements to that debate. There is a question of whether or not the minority has the right to be heard and whether or not the majority has the right to govern. It has been a fundamental principle that in the end the government must have the right to govern.

One thing I find very significant is that closure was not used often by the previous government. Why was it not? The reason was very simple. It was because we as an opposition believed that at the end of the day the government had the right to govern. We never had to and never did behave in such a way that the government of the day would have had to use closure 34 times.

It is fundamental that Parliament has to be able to function. The government has to be able to govern. Equally, the opposition has to be able to debate. We have seen example after example in this House where time after time, through the filibustering obstructive tactics of the NDP, members of all parties including the opposition and the government have had to sit in their places and not be able to debate. After three or four days

of listening to the tactics that these members from this particular party have used, we have ended up being in a position that we have had no choice but to move ahead with closure and, as a net result, members have not had an opportunity to debate the substantive issues.

This party is making it a habit of not debating issues but engaging in childish tactics. The best example of that is contained in an article in today's edition of *The Ottawa Citizen* that clearly outlines the particular concern with which the House has been living with for some months now. The headline is: "Mr. Barrett goes to Ottawa" and it states:

> The NDP is full of moral outrage because Don Blenkarn, Chairman of the Finance Committee, had the gall this week to cut off its GST filibuster after a mere 31 hours.
>
> So indignant are NDP members that they are not only gunning for Blenkarn but they have also asked the Commons Speaker to decide if their parliamentary privileges were breached.

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, with all due respect, the member is engaging in political debate. He is not engaging in any kind of procedural debate whatsoever. He is not speaking to his point of order or anybody else's point of order. He is engaging in political debate. It is incumbent upon the Chair to say so and force the matter with respect to a point of order, not a matter of political debate.

The Acting Speaker (Mrs. Champagne): The hon. parliamentary secretary may want to confine himself to making whatever point of order he is trying to make.

Mr. Cooper: Madam Speaker, I am speaking to Standing Order 10. It starts at Standing Order 9 and goes all the way through to Standing Order 14 where it talks about the question of order and decorum. What we have been living with is obstruction, and that is what I am speaking to.

Forgive me if my remarks are somewhat political. I know that the House of Commons should never be political. The reality is that we are living with a situation where members of that particular party has continued to tie up this House, to tie up the committees of this House, to prevent members from having an opportunity to debate the very serious and fundamental issues of the day.

What have they been doing? They have been doing things like voting on introduction of their own bills, not because anybody here is going to stop them but because they would rather waste time than debate the issues of the day. I think what happens is that when one runs out of substance in an argument one replaces it with rhetoric and filibuster and all sorts of delaying tactics, and that is what we have seen.

I think I have made my point. I have done my best to aid and assist the able argument of the Whip on the government side. I hope that those members in particular will consider very seriously how fundamental and important is Parliament and how we need to be able to proceed with the business of the day, and that means debate, not filibuster.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—RURAL CANADA

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved:

That this House call upon the government to commit itself, on the week of the second annual Rural Revitalization Day and the anniversary of the birth of Agnes MacPhail, the first woman elected to this House and an untiring champion of the rights of rural Canadians, to provide for a vital economic, social and environmentally sustainable future for rural Canada and the millions of Canadians who live in our vast rural areas, by implementing a program to:

1) stabilize family farm incomes and ease the crippling debt load which at present threatens the very survival of tens of thousands of family farms;

2) assist fishing communities to survive the current crisis in the fishery and take steps to ensure the proper management of the fishery in the future;

3) modify existing transportation and other infrastructure policies to assure all primary producers, co-operative and rural small businesses that they can be competitive in both the domestic and the international market-place;

4) provide a full range of education, health and other social policies to enable young families, the elderly and others to live comfortably in rural and isolated parts of Canada; and

5) provide a full range of services, including shelters, child care services and skills training to support the crucial role played by women in all rural communities.

The Acting Speaker (Mrs. Champagne): It being 11 o'clock a.m., pursuant to Standing Order 35 the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, on March 14, the Canadian government tabled in Geneva a proposal it intends to defend in the Uruguay Round of trade negotiations involving GATT article XI.

The proposal, which came after numerous consultations held across the country in recent months with various members of the agri-food sector, reflects this government's firm commitment to maintaining efficient supply management programs.

We will be able to safeguard our interests and work towards controlling imports of dairy products, including yogurt and ice cream, and chicken, all of which are vital to Quebec's agricultural industry.

This policy is aimed at clarifying and strengthening the provisions of GATT article XI in a balanced and realistic way.

Madam Speaker, this represents a major step forward and a substantial gain which may help boost development of our agricultural potential in this country.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I could not believe what I saw yesterday, an advertisement by the New Democratic Party inviting people to participate in a rally against the goods and services tax.

When we in the Liberal party called the NDP to participate in this rally we were bluntly told we were not welcome at this event. Yesterday the NDP member for Yorkton—Melville stood in this House complaining that Canadians want to be heard, that they were against the goods and services tax, and he accused the government of being undemocratic.

The hon. member spoke without blushing. Democracy to my friends in the NDP is a word they use at their convenience. Here in the national capital region the NDP is using the name "Coalition Against the Goods and Services Tax", an organization which we formed last fall. They used this name without our knowledge or permission. Well, that is misleading.

My friends in the NDP are obviously busy fighting for the spotlight. They are busy fighting for the spotlight rather than fighting for the real issues. What a pity.

* * *

[*Translation*]

MULTICULTURALISM

Mr. Jacques Vien (Laurentides): Madam Speaker, March 21 was the International Day for the Elimination of Racial Discrimination.

This is the second year that the Minister of State for Multiculturalism and Citizenship has emphasized the occasion with a public awareness campaign.

Madam Speaker, we cannot hide the fact that despite the tolerance and openness of this country and its people, Canada is not immune to racism and racial discrimination, especially when we consider that the population of Canada will become increasingly diversified in the years to come.

It is therefore important to get to the roots of the problem so that our society will continue to prosper in peace and harmony.

We have good reason to believe that these awareness campaigns will be successful in the long run, considering the enthusiastic response from young people last year, which will probably be the case this year as well.

* * *

[*English*]

HUMAN RIGHTS

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, as change sweeps eastern Europe and the Soviet Union, Canadians are witness to growing respect for basic human rights, including the open gate of emigration. Unfortunately, *glasnost* has also given rise to some

hate groups and open demonstrations of anti-Semitism in the streets of Moscow.

While the freedom to exit is to be applauded, safe passage for all peoples wishing to reach a new domicile is also essential. Unfortunately for Soviet Jewish emigrants, the other side of the open gate may become as daunting as the closed gate used to be, for we are getting increased reports each day of extremist elements threatening to attack airlines carrying Soviet Jewish immigrants to Israel. Unfortunately, two days ago, Hungarian National Airlines was forced to withdraw its assistance in the transport of these emigrants because of these threats.

This must stop. Canada's strong objections must be heard. The challenge is ours and the time is now. I ask the Government of Canada to reaffirm on behalf of all Canadians the basic human right which Canadians have long cherished and enjoyed, the freedom to move safely from one country to another without fear of terrorism or hostile threats.

* * *

CRUISE MISSILE TESTING

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I rise today to speak on behalf of the many Canadians who find it increasingly offensive that the government continues to support the testing by the U.S. of air-launched cruise missiles over Canadian territory, particularly given the changes which have taken place in the Soviet Union and in eastern Europe.

Those of us who opposed the testing even before these changes took place find it increasingly strange that the government, given its previous rhetoric about the Soviet Union, refuses to recognize the changes that have taken place there and implement that change by calling an end to cruise missile testing in Canada and also calling an end to low-level flight testing and all the other ways in which Canada is being used as a free-fire zone for testing of U.S. weapons. The time has come for the government to change its policy.

The Acting Speaker (Mrs. Champagne): The hon. member's time has now expired. The hon. member for Fredericton—York—Sunbury.

MEECH LAKE ACCORD

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, before this historic week draws to a close, I want to compliment Premier Frank McKenna and his government for the encouraging initiative introduced in the New Brunswick legislature on Wednesday concerning the Meech Lake Accord.

Mr. McKenna's text stated the issue extremely well, and I quote:

> National reconciliation was the original goal of Meech Lake and it must be even more so today. Conflict and resentment are threatening our integrity as a nation. Reconciliation is never easy and almost always involves putting generosity before pride. That kind of generosity of spirit is what we are seeking today.

It has long been my view, shared I know by most hon. members, that whatever it takes by all concerned, a way must be found to complete and adopt the Meech Lake Accord in the critical days which remain to do so. What will it take? As the Prime Minister said so clearly last evening, it will take a national will by every province and by the federal government together representing all Canadians.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, the Prime Minister of Canada addressed the nation in the following terms:

> Generations of Canadians have accomplished things they would never have dreamt were possible: in an untamed environment, they built a civilization; in their isolation, they found a love for this country; in their communities they developed the spiritual and family values that enrich our nation. It is these simple and strong values that made Canada. Today I want to ask all Canadians to look into their hearts and discover that magnificent country we have built together.
>
> We are all privileged, francophones and anglophones, old and new Canadians, from Newfoundland to British Columbia, all without exception, to have made our homes in such a magnificent country. The problem we are facing today is not merely a constitutional deadlock or a debate among politicians. We, as heirs to one of the most beautiful countries in the world, are struck by the example of those who built in North America the home of tolerance and generosity. I urge all Canadians to close ranks and build together, with pride and determination, this beautiful, vast country we want to leave to our children.

• (1110)

[*English*]

EAST TIMOR

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, since March 7, Mr. Bill Ripley of the Action for Social Change organization in Kingston, has been protesting Canada's complicity in Indonesian acts of genocide in East Timor by a hunger strike. The strike is now in its seventeenth day and will end only when the Canadian government meets his organization's demands.

Action for Social Change wants the Canadian government to condemn Indonesian crimes against humanity in East Timor and calls for that country's right of self-determination. Since 1975, over 200,000 lives have been lost through war and starvation in East Timor. As a member of the United Nations Human Rights Commission, Canada has failed to complain on behalf of the people in East Timor.

I call upon the government, today, to press the government of Indonesia to work toward an equitable resolution of this situation. The suffering of these people must be noted, condemned and ended immediately, and the Canadian government must show some leadership.

* * *

EL SALVADOR

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, tomorrow marks the tenth anniversary of the murder of Archbishop Oscar Romero of El Salvador. Canadians will be marking the day with memorial services across the country.

The martyrdom of Archbishop Romero has become a symbol for all who walk the courageous path toward peace and justice in Central America.

Romero understood that true peace in Central America could only come from the people. He advocated liberation theology and the empowerment of those who were disenfranchised. Archbishop Romero died trying to realize the goal of justice for all.

Since the murder of Romero, there have been minimal attempts to investigate or punish those responsible. Instead, there has been a recurring pattern of death and repression of church and humanitarian workers. The recent brutal slaying of six Jesuits at the University of Central America prompted an initial investigation, but it has stalled and those implicated are being promoted or sent abroad.

As we mark the anniversary of this tragic event, we are encouraged by news that the FMLN and the ARENA government have agreed to renew negotiations. In memory of Oscar Romero and for the sake of all Salvadorans, we hope and pray that these talks will lead to peace in El Salvador.

* * *

SMALL BUSINESS

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, I would like to bring to the attention of the House an ongoing Community Futures project in my riding. For the third time in a year, Cumberland Development Authority has played a key role in organizing a small business development day, involving all levels of government agencies such as, FBDB, ACOA, the Nova Scotia Department of Small Business, the development officials from Amherst, Springhill, Oxford, and Parrsboro, the Nova Scotia Research Foundation, Canada Employment Centre, as well as banks, accountants, consultants, and business leaders.

The point of these seminars is to provide assistance and encouragement to those who want to start their own small business. They have proven very successful and all those involved should be congratulated for their contribution to this excellent project.

* * *

UNIVERSITY OF MANITOBA

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, I would like to bring to the attention of this House and to Canadians that the University of Manitoba has announced its third annual conference on terrorism and security.

The title of the conference is *Islamic Terrorism in the 1990s and the Threat to North America*. Needless to say, it is deeply offensive to the more than 160,000 adherents of Islam in Canada. Surely, a serious academic look at terrorism would spend some time on definition. Other than the session entitled "The Revelation Between Internal Iranian Politics and External Revolution", there

is no indication in this program of any in-depth look at terrorism causes.

To hold a conference focusing on Islam terrorism does not make any more sense than a conference on Christianity, Judaism, Buddhism and terrorism. The conference and panel titles link Islam to terrorism so unabashedly that it could be considered to be bordering on hate-mongering.

I would call upon every decent Canadian to denounce any measure of this type of discrimination, and I hope that the University of Manitoba will reconsider this intended conference.

The Acting Speaker (Mrs. Champagne): The hon. member's time has expired.

* * *

GOODS AND SERVICES TAX

Mr. Girve Fretz (Erie): Madam Speaker,

Ode to the determined terminator

The chairman of the GST.

He fixed the filibuster brothers,

Those displayers of frantic antics and others.

Subdued was Nickel Belt "Rod-Ruckus"

And his B.C. colleague, "Grin and Bear it".

Though they may continue to buck us

Our non-blinkin' Blenkie showed his spirit.

So on with the committee clause by clause

Straight into the House for third reading

For ours is a battle with a cause

From the GST—we're not receding.

* * *

GLOBE 90

Mr. Jim Fulton (Skeena): Mr. Speaker, experts from across the world gathered this week in Vancouver for Globe 90. Canada's policies came under the spotlight and rated poorly on almost every count. The head of the United Nations Environment Program, Dr. Mostafa Tolba, slammed Canadian forestry policy for contributing to the greenhouse effect by cutting down four trees for every one that we plant.

Forty per cent of the marine pollution in Canada comes from pulp mills and despite being the largest industry in Canada and providing the largest source of balance of trade, there is no inventory. There is not even a plan for protecting old growth forests and some provinces like Alberta are planning to cut over one third of the entire province.

Three out of four Canadians consider our forests to be a national treasure held in trust. Three out of four think forest management is poor and that the industry is a threat. Nine out of ten believe spraying is a hazard according to the Environics poll released at Globe 90.

The federal government provides less than 10 cents out of every tax dollar raised from the forest sector back to that sector; the same level as the Liberals under Pierre Trudeau.

Globe 90 and the head of UNEP have set the record straight. There is not sustainable development going on in Canada's forests. We are cutting four times as many trees as we plant. Forest companies and government should stop lying about the facts. That is the message of Globe 90.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. Last night, the Prime Minister said, and I quote: "I have therefore decided to submit Premier McKenna's companion resolution to Parliament next week and then refer it immediately to a special committee of the House of Commons for public hearings".

Mr. Speaker, I don't think there has been any consultation with the opposition House leaders on the mandate of this special committee. I therefore want to ask the Deputy Prime Minister the following question: Will the government start these consultations as soon as possible so that we can have a very constructive analysis of the McKenna proposal? More specifically, will the Prime Minister ensure that this committee will be able to examine other proposals that are made for breaking the present constitutional deadlock?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, indeed I would think that it would be

the intention of the House leader to meet with the House leaders of the two opposition parties.

I understand that there is a meeting scheduled for this afternoon to talk about that very thing. I think that these kinds of things, as the hon. Leader of the Opposition would know, would be perhaps most appropriately discussed within the context of the House leaders meeting, but clearly within the spirit of the speech that was made by the Prime Minister last night to the people of Canada, and indeed to the opposition parties.

I might say that we appreciate very much the support and the pledged co-operation from the two opposition leaders, and we will bear that in mind as we sit down to work out the appropriate terms of reference, and other reference guidelines for the conduct of the committee.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I am pleased to learn that the government House leader intends to have a meeting with the House leaders of the opposition parties this afternoon.

At the same time, I think Canadians have a right to know as soon as possible the process the Prime Minister has in mind in asking the House to study and vote on the McKenna proposal with, as I recall the Prime Minister saying, whatever suggestions may emerge from the committee hearings.

I want to ask the Deputy Prime Minister, in making this proposal is the government intending to start a new round of amendments to the Constitution of 1982, the existing Constitution? If so, is the government asking the provincial premiers to table the McKenna resolution in their legislatures for consideration at the same time?

• (1120)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I would have thought it rather strange that the Prime Minister or the House leader would have outlined or advanced proposed terms of reference or proposed criteria for the conduct of the committee without first discussing it with the opposition parties.

That is precisely what he intends to do today and I think that what the Prime Minister said yesterday was in keeping totally with the spirit with which the premier of the province of New Brunswick came forth with the parallel resolution, not to take away from the Meech Lake Accord but indeed to complement the Meech Lake Accord and to cover some of those issues which have become of concern to many Canadians and indeed to the Premier of the province of New Brunswick.

Hon. Herb Gray (Leader of the Opposition): I appreciate the spirit in which the Deputy Prime Minister is approaching this matter but I think some public clarification would be useful in responding favourably to the view of the premier of New Brunswick that there are matters that need to be dealt with that were not covered in the constitutional amendment of 1987.

Does the Prime Minister and his government intend that they be dealt with through amending the existing Constitution and if not, exactly what does the government have in mind through carrying out the exercise that was proposed by the Prime Minister in his speech last night? Furthermore, is not what the Deputy Prime Minister has said so far on this a reason why it would be extremely useful if, as soon as possible, there was a meeting of the Prime Minister and all the premiers of the provinces to go into this matter further?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think the hon. Leader of the Opposition would agree that what we had the day before yesterday was an initiative taken by Premier McKenna of New Brunswick to break the log-jam. What the Prime Minister provided in his speech yesterday is indeed a vehicle for everyone to come together. I would hope that Premier McKenna would want to be one of the first witnesses to appear before that committee so he can appropriately lay out before the members of the special committee his views and his objectives that he would hope to be achieved in the course of the strategy that he has outlined.

With respect to the other part of the question, I can only repeat what I have said before and what the Prime Minister has said before and what has been concurred in by the premier of New Brunswick. At an appropriate time it may very well be useful to convene a meeting of First Ministers. As Premier McKenna indicated in a

television interview last night, he thought at the present time it would probably not be appropriate.

We now have the vehicle and mechanism for bringing together all the parties to discuss his particular proposal. Furthermore, as I said earlier, he does not intend that this be the be all and the end all but that there is flexibility in that and in so doing, I think bringing all the parties together before that committee can be a very useful exercise.

[*Translation*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is also directed to the Deputy Prime Minister. As the Leader of the Opposition mentioned earlier, we believe that the initiative taken by the Prime Minister yesterday and the action taken by Mr. McKenna were very important as part of an attempt to break the constitutional deadlock, and we support these initiatives. My question to the Deputy Prime Minister is as follows: Could the Minister inform the House whether the mandate of the Special Committee on the Constitution will be limited to Mr. McKenna's proposals or will the committee be able to consider other, related proposals it believes are essential to the advancement of this issue?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as I said to the House yesterday, I think what is unique about the proposal that Mr. McKenna has advanced is that he is proposing the adoption of Meech Lake without any subtractions but he is providing for a mechanism to add to it. That is, to add things that many Canadians and other premiers have felt should be considered within the context of constitutional reform.

I think it is within that spirit that the hearings would proceed. I repeat again, we now have a vehicle to explore that in a very formal way. I would expect that Premier McKenna would be one of the first witnesses to appear before that committee to lay out clearly, for the benefit of members and the benefit of all Canadians, just what he has in mind.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, as the Deputy Prime Minister knows, Senate reform is a key constitutional issue, especially in western Canada and to a certain extent in Atlantic Canada. Will the government be ready to make its views known on Senate reform and refer these to the committee in order to assist and advance agreement on this constitutional issue? This is very important to several provinces in the west and it might assist in bringing the whole thing together and getting agreement. Will the government do that?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I agree with the hon. member. Senate reform is indeed a very important issue in western Canada as it is Atlantic Canada, as it is in all parts of the country quite frankly. But it is of major importance to western Canadians.

As he knows, the object of the exercise of Meech Lake was to have it ratified and to deal with the issues of Senate reform as one of the very first priorities. I can assure the hon. member that the Government of Canada takes Senate reform as a very major priority. At an appropriate time the Government of Canada will outline its position with respect to Senate reform.

* * *

AGRICULTURE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, my question is for the Minister of Agriculture.

Yesterday the U.S. Agricultural Secretary, Clayton Yeutter, announced an agreement to sell another 10 million tonnes of grain, oilseeds and meal annually to the U.S.S.R. Under the free trade agreement, the United States agreed that it would not invade our traditional markets. Here the U.S. is obviously moving into what has been our market, with the $900 million export enhancement program. This proves that we were sold down the river in this free trade deal as far as the farm grains area was concerned. What is Canada doing to protect and win back some of these traditional markets?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is interesting that the member raises that question. We had meetings with the Canadian Wheat Board a week or so ago. The Wheat Board indicated to us that while the export enhancement program has the effect of depressing prices, as do the subsidies that are paid by the European Community, which the hon. member knows are considerably higher than those being paid by the United States, this has not

affected Canadian market share. We are still maintaining our share and maintaining our traditional customers.

The hon. member asks what we are doing. We have certainly filed our notices through the appropriate diplomatic channels and I have spoken personally with Secretary Yeutter, reminding him of the commitment that has been made under the free trade agreement.

I should say as well that while we hear a lot about the amount of money that is being spent under the export enhancement program, in the range from $560 million to $900 million, in the period June 1989 to January 26, 1990 some $178 million Canadian was provided under the export enhancement program. So, I think it has to be put into perspective.

In the meantime, the Europeans are subsidizing exports of grain and oilseeds to the tune of $5 billion to $6 billion annually. What we have here is a situation of the United States responding to the actions of the European Community and Canada being caught in the cross-fire.

• (1130)

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, the minister's defence of the U.S. is very obvious, but we are being forced out of traditional markets. Our major sales last year were not to the U.S.S.R., not to China, not to the EEC but to Iran, which usually was about twelfth or thirteenth on our list of sales.

Export enhancement was used six times in January to boost our sales to the U.S.S.R. So it is affecting our markets. If the Americans are giving more money it is going to escalate the trade war. That is going to affect the whole grain structure to the extent that it eliminates the psychological feeling that grain is the basis for the western Canadian economy.

When is the government going to assure the farmers that it is backing them by giving them enough money to seed the crop this year since seeding time is coming very quickly?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am not attempting to defend the United States. I am simply trying to respond to the hon. member's question in a factual way.

He says that we have lost traditional markets. He is right in some areas. In the case of the European Community, in 1979 and 1980 they were net importers of grains and oilseeds to the tune of about 12 million tonnes. Today,—

Mr. Hovdebo: They still buy our grain though.

Mr. Mazankowski: Mr. Speaker, if the hon. member would just listen, I would enlighten him a little bit. In this current year they are projected to be exporting some 25.8 million metric tons of grain. That is almost a 37 million tonne turnaround in a period of ten years.

At one time the European Community was one of our best customers. Not only have we lost them because of their huge subsidies and internal production, but they have become a major exporter of grain. They are today the world's second largest exporter of grain.

Those are the kinds of changes taking place and those are the kinds of changes of which the hon. member should take cognizance. Those are the kinds of issues we have to wrestle with as members of Parliament and as a government.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the minister talks about maintaining our place in the market. The minister knows it is because of the Canadian Wheat Board that we are holding our place in the market. We support the Canadian Wheat Board and we have to do everything we can to strengthen its powers at every opportunity.

The minister also talks about the Export Enhancement Program depressing prices. Yesterday, in answer to my question, the minister said the deputy ministers are discussing the agriculture crisis in Canada.

Can the minister confirm that the deputy ministers are discussing a specific pay-out of at least $500 million as well as a restructuring of the farm debt? Will he confirm that he will be making an announcement on this when the ministers of agriculture of the provinces meet with him in British Columbia later this month?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, for the information of the hon.

member, the ministers of agriculture are not meeting in British Columbia later this month.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Deputy Prime Minister. Despite the public relations exercise at Globe 90 in Vancouver, the government is not acting to protect the environment. It has now been ten days since the Federal Court quashed approval for the Oldman dam and ordered the Ministers of Transport and Fisheries to conduct an environmental assessment of this project.

Can the Deputy Prime Minister explain why work on the Oldman dam continues and why the government is ignoring the Federal Court order?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, the Federal Court order is not being ignored. Obviously it is being reviewed intensively. It adds to previous decisions by the courts. It is of serious concern to the Government of Canada, as it is to the provincial governments. As soon as the review is complete and the law officers have made their recommendations, there will be a response.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, that is a pretty weak answer to such an important issue, which the minister knows very well requires substantial movement on the part of the government if the public is to believe the promises the government is making.

My supplementary question is again for the Deputy Prime Minister, who seems to know the file better. In view of the fact that yesterday the Friends of the Oldman River, exasperated by the inaction of this government, sought a court order to enforce the Federal Court ruling, will the Minister of Transport halt the work on the Oldman dam today or will he wait to be embarrassed in court next week when the citizens will once again seek to do the job this government has the power to do but refuses to do?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, it is precisely because of the seriousness and the implications of this decision by the court, and the seriousness of the impact of such decisions on any future development, that we want to have a very thorough review. Such a review would obviously have to include the proponents of the project. This is not a federal project. It is a project for which, at least in the opinion of the court, there is some additional federal responsibility. We will exercise that responsibility as soon as we have reviewed the decision.

* * *

ENERGY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Acting Minister of Energy. Last week the National Energy Board dropped its cost-benefit test on gas exports. Leading industry experts have indicated this week that that test should be kept because it protects the national interest.

What does the minister or the government intend to do about the board's decision to drop the test? Will the minister reassure Canadians that our natural gas will not be sold to foreigners at a loss to Canada?

Mr. Thacker: You guys really hate the west.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I can assure the hon. member that that will be the case, of course. The board is going to continue to examine export contracts, including contract flexibility, but would only intervene in exceptional circumstances.

Certainly the export of gas is very important to the economy of this country. It assures further exploration throughout the western provinces. It is a very important part of our economy. Why would we not export that gas?

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, that certainly does not answer my question. My supplementary question is for the same minister.

This week the National Energy Board said that it would re-examine the 10 deals which previously flunked the test. If approved, these deals could cost Canada anywhere from $130 million to $500 million, depending on the National Energy Board figures.

How can the government do nothing while the Americans buy our gas at fire sale prices?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, we are seeing a very fine display today of why the Liberals cannot elect anybody in Alberta. They do not care about the west,

they do not understand the west, and the ignorance is being shown very broadly today in the House.

* * *

PANAMA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, perhaps we could stop the debate about the national energy program for a minute so that I could ask my question.

My question is for the Secretary of State for External Affairs. In a recent report on the U.S. invasion of Panama, the Central American Human Rights Commission discloses that the invasion was not the surgical strike that the U.S. would have us believe.

Is the Secretary of State for External Affairs aware of this report? Is he aware of the claims in that report that the U.S. army used highly sophisticated and, in some cases, newly developed weapons against unarmed civilians; that the actual number of civilian fatalities was at least 10 times greater than the U.S. figure of 220, that death tolls were obscured by the burning of bodies, the use of common graves without identification, and the U.S. military control of hospital administration offices; that human rights were abused by the occupying U.S. military; and that a well planned propaganda campaign has ensued since the invasion to cover up the brutality of U.S. actions?

• (1140)

These are very serious charges made by a reputable human rights commission. Would the Secretary of State for External Affairs undertake to study these claims? If he finds that he is not in a position to deny these claims, would he review the government's support of the U.S. invasion of Panama?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member has been in the House for some time and usually observes very closely the courtesies of the House. I know he wanted to put his views on record with regard to this report. If he had wanted an answer from me he could have brought it to my attention earlier. In fact, we spoke just before the Question Period began and he did not raise it with me.

Naturally I will look at the report to which he refers and after I have had a chance to consider it I will respond. He knows that if I am given notice on matters I try regularly to provide a response to the House.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, this report has been circulated. It has been around for a few days. I assumed that if, with the meagre resources of an opposition critic, I had the opportunity to see the report, the Department of External Affairs might also have come across it. I know that the minister is a busy person and I take him at his word that he is not aware of the report. I have brought it to his attention.

I am asking him now whether he will have a look at that report. If he finds himself in a position where he is not able to deny these claims, or if he finds that there is some truth in them, will he review the Canadian government's support of that invasion and will he pursue these revelations through the Organization of American States, which also expressed concern about U.S. actions in Panama?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member must enjoy a higher place on the CIA mailing lists than I do. I certainly will take a look at the report and take whatever action is appropriate.

* * *

FISHERIES

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is for the Minister of Fisheries. The former fisheries minister promised to make experimental fisheries permanent once fishermen had secured markets and stocks were determined to be adequate to support the fishery. This is the case now with the rock crab fishery in the maritimes. Markets were established and fish stocks were determined to be adequate.

Therefore, will the minister tell us when he will take action to make this fishery permanent?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I certainly do intend to look at all the issues affecting the Atlantic fishery. The issue of the permanence of this fishery is one in which a lot of people have a big stake. I intend to take whatever steps are necessary to ensure that whatever is reasonable can be done.

I will not take any steps to jeopardize anything that is already in place there. Also, I will not do like certain members, and create false hope in Atlantic Canada.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my supplementary question is for the same minister. Would the minister commit some research money to the rock crab fishery to ensure that the stocks remain healthy and are not overfished to near extinction, like the snow crab fishery?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): I am not offended at all, Mr. Speaker, by the idea that we should have research to ensure conservation of our stocks. As we are in the process of looking at the scientific effort in Atlantic Canada to conserve those stocks, we will surely give consideration to the suggestion of the member.

Mr. Joe McGuire (Egmont): Mr. Speaker, I would like to direct a question to the Minister of Fisheries and Oceans. The 880 Tracker Squadron, which is responsible for doing the mid-range fisheries and sovereignty surveillance on the Atlantic coast ceases operations in eight days. Tomorrow the squadron hands in its colours and will be disbanded. This is a black day for Summerside and a black day for Prince Edward Island.

Can the Minister of Fisheries and Oceans tell the House who will be doing the mid-range fisheries and sovereignty surveillance patrols on April 1?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, as my hon. colleague the Secretary of State of External Affairs indicated, had I been given notice of this question I could give an exact answer.

All I can say is that recently the government funded aerial research in Atlantic Canada by an additional $28 million. That is a serious effort, but I am unable today to give a specific answer to that specific question.

Mr. Joe McGuire (Egmont): Mr. Speaker, the 880 Squadron, as I have just stated, is going out of business tomorrow. Their last flying day will actually be in eight days' time. One would think that a year after making the announcement the Minister of Fisheries and Oceans would know who was going to be doing the fisheries and sovereignty patrols.

The minister has stated that the government is spending $28 million a year now. How much does he anticipate it is going to cost when it takes over total control?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I do undertake to provide the hon. member with a detailed account of everything that is done to ensure surveillance in Atlantic Canada.

* * *

COMMUNICATIONS

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is directed to the Secretary of State. The aboriginal communication network was established not out of greed, but rather out of need. Trail radio system has been proven to save lives and it is thanks only to *The Micmac News* that Donald Marshall is a free man today.

The mainstream media are not serving the needs of aboriginal people. The Prime Minister said last night that Canada had not arrived at a just and equitable arrangement with its first people. Will the Secretary of State not now reinstate funding for the native communication programs in his department?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am certainly aware how effective the communication societies have been and how important a role they have been playing in Canadian society.

I personally have been meeting with some of the communication societies. I had the opportunity to meet with Roy Gould of *The Micmac News* when I was recently in Nova Scotia. This afternoon I will be meeting with the executive and board members of the National Aboriginal Communication Society and I look forward to very fruitful meetings.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I am aware of the meeting that is taking place this afternoon with the Secretary of State. I understand that he has already said to the native communication network that he is going to be looking to other departments for some assistance in funding this program. We know, with the cuts that are taking place, that is just not feasible.

They want from the Secretary of State a concrete answer as to what exactly he is going to do about their needs, not wishy-washy stories. They need the funding. The Secretary of State has a responsibility to meet those needs and I think that is the message that he has to convey to the committee this afternoon. I encourage him

to do so and ask him if that is what he is intending to do this afternoon.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, my departments have undergone expenditure reduction and we have handled that in a very fair and consistent manner. Indeed, if we examine the aboriginal program that the government has for this year, it encompasses some $4 billion. The Department of Indian and Northern Affairs itself has seen its funding grow from the 1984–85 period from $1.4 billion to some $2.3 billion today.

When I was in Nova Scotia I reminded Roy Gould of *The Micmac News* that in Nova Scotia alone the funding went from some $26 million in 1984–85 to about $49 million last year. That is almost double.

• (1150)

We instituted a task force and that force is already in place. We are bringing together elements from the Department of Indian and Northern Affairs, from Industry, Science and Technology, from Health and Welfare, from every government department that has an interest in being helpful. We are examining the situation that each of the communication societies has been left in and seeing how we can help them to carry on.

* * *

[*Translation*]

TEXTILE INDUSTRY

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, my question is directed to the Minister of State (Privatization and Regulatory affairs) and concerns the textile industry which must cope with the challenge of adjustment as a result of the Free Trade Agreement, the multilateral GATT negotiations and the Uruguay Round, the Multifiber Agreement which ends next year and the tariff reduction proposed by the Canadian International Trade Tribunal, whose report will be tabled today.

Could the minister give the House and workers in the textile industry the assurance that the government's decision on implementing these policies will have the consequence of continuing to attract investment in Canada and will not involve any loss of jobs?

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, later today I will be tabling in the House the Canadian Import Trade Tribunal textile tariff report. This report was requested by the Minister of Finance to take a look at the textile industry and the tariffs we have in Canada which, I might say, are much higher than those of any other industrialized country in the world. The report will be making certain recommendations to the government which we will consider.

I can assure the workers in the industry and the industry itself that every consideration will be taken by the government to assure that we maintain a viable industry in Canada.

* * *

SCIENCE AND TECHNOLOGY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister for Science. Last Friday his parliamentary secretary told this House, and I quote: "The NRC has been Canada's foremost research institute and it continues to be the cornerstone of Canada's science and technology strategy."

We know that the National Research Council draft five-year plan provides for 500 NRC jobs to be cut. Is the minister trying to tell Canadians that 500 more lay-offs and the cancellation of programs and divisions at the National Research Council constitute the cornerstone of his science and technology strategy? Is this what the Prime Minister means when he says that R and D is the lifeblood of the nation?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the National Research Council has considered and is still considering the many options available to it for its long-range plan.

My understanding is that consultations are still going on with all of its client groups, with its partners in many of its operations, and that they will be taking some decisions. They will actually be finalizing their long-term plan sometime in the next few months and we will take decisions at that time. I am not ready to take any decisions now as I do not have the plan.

Mr. John Manley (Ottawa South): Mr. Speaker, the minister is right, consultations have been carried on. They have consulted with the Science Council, they have consulted with universities, they have consulted with industry, but the researchers at NRC and their represen-

tatives have been told that their input would be redundant. This process is absolutely devastating morale at the National Research Council.

Will the minister today insist that the president of the NRC hold meaningful consultations with the scientists and researchers at the NRC? Will the Minister for Science for Canada himself take an active role in these consultations to ensure that the people are cared for?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, as I said before, the National Research Council itself is going to have to make some recommendations about the long-term future of NRC. At the appropriate time, I have no doubt that the management of NRC will be discussing their plans with the scientists of the council.

At the moment the charge to the National Research Council is to produce a long range plan which will ensure that NRC remains a viable, vigorous and relevant institution for this country over the next several years. That is the charge to them.

* * *

[*Translation*]

TELECOMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Supreme Court has ruled that telecommunications falls under federal jurisdiction.

Today in *Le Devoir*, it is reported that Quebec has claimed this area as its own.

Has the government received a copy of the document entitled: "Proposals for sharing responsibility for telecommunications between the federal government and the provincial governments", filed last week by Quebec in Ottawa? If the government received the document, is it prepared to release it and let us know what its position is in this respect?

[*English*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I can inform the hon. member that any document which will or has been received will be given careful study.

I cannot confirm that the document in question has been received at this time.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am not sure if the government responded "will have received", "did receive" or "is receiving".

Irrespective of the language, present, past, future, I sincerely hope that the government will undertake to honour its commitment which it demonstrated when it deposited a bill in this House.

I would like the assurance of this government that it is prepared to respect the decision of the Supreme Court of Canada in the AGT case of last August and reaffirm its acceptance of telecommunication as a national, federal jurisdiction which is in the interests of the business and the people of this land from coast to coast.

[*Translation*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, two weeks ago, my answer to the hon. member was that this government favours a single, federal system for regulating telecommunications.

* * *

[*English*]

INCOME TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of National Revenue.

I am sure, Mr. Speaker, you recall that back in 1984 the Conservative party promised to have as a priority the simplification of the income tax forms. I have here a copy of the 1984 throne speech, the first throne speech of the government across the way. It says: "The taxation system will remain simpler and fairer."

I would like to ask the minister to explain a study that was commissioned by the Department of National Revenue last year on the income tax form which found that of the taxpayers surveyed, some 46 per cent had to pay for help to fill out the income tax form last year, which was the first year of tax reform, compared to 30 per cent the year before, which was before tax reform.

Why this increase from 30 per cent to 45 per cent when the government promised to make the income tax form simpler? Why has it gone back on its word?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as you know, there are numerous studies on any subject, including the one to which the hon. member refers.

The only study that counts is the actual counting of the income tax returns that come into Revenue Canada. Over 18 million such returns came in last year and our observations of those returns showed that approximately the same amount of people last year used outside tax consultants and assistance as had in previous years.

We have worked very diligently with the Plain Language Centre and other outside organizations to simplify not only the language but the context of the forms. In fact, Lyman MacInnis, senior partner with the Toronto based accounting firm of Deloitte & Touche recently said: "Given the complexity of the act, Revenue Canada has done a hell of a great job with the forms this year".

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I am referring to a study commissioned by Revenue Canada which said that the number of people who needed help went up from 30 per cent to 46 per cent after tax reform. Maybe the problem is one that was identified in the PC task force report on April 8, 1984. It states at page 5: "One of the problems in national revenue is that there has been a tradition of weak and junior ministers of national revenue", a tradition that continues today.

• (1200)

Another study done by the University of Montreal showed that the average taxpayer who requires outside help spends $349 a year for that help or a total of $5.5 billion in 1986 before tax reform. I assume it is much higher after tax reform.

In light of those facts, why has the Conservative government gone back on a promise it made in 1984 and 1985 to simplify the tax form and save the taxpayers of this country a great deal of money? Why has it not fulfilled that promise?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I note that the New Democratic Party has junior opposition critics of finance and revenue. That tradition has not changed in that party for many years.

Mr. Clark (Yellowhead): But it has in ours.

An hon. member: They can't count.

Mr. Jelinek: Second, I can only repeat that when the member talks about outside assistance to taxpayers, the figure based on the 18 million people who filed income tax returns shows that last year there was roughly the same number of Canadians using outside assistance as in previous years.

We have kept our promises from 1984 by working toward simplification of the tax system, including the forms. However, I admit that the *status quo* of making the language simpler and less complex for Canadians is still not accepted by the majority of Canadians as totally simple. That is why I have moved toward electronic filing, a pilot project which is taking place in Winnipeg this filing season. That will be expanded to include all of Saskatchewan, Manitoba and Alberta next year. By the middle of this decade, that is to say within the next four or five years, all Canadians will have the option to file electronically which will eliminate paper work, eliminate errors, speed up the process and make it cheaper, simpler and more efficient for all Canadians.

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

TABLING OF AMENDMENTS

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 32(2), I wish to table, in both official languages, a document respecting proposed constitutional amendments now before the Legislature of the Province of New Brunswick.

* * *

INTERNATIONAL TRADE TRIBUNAL

TABLING OF TEXTILE TARIFF REFERENCE REPORT

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Madam Speaker, I rise today to table on behalf of the Minister of Finance, pursuant to subsection 21(2) of the Canadian International Trade Tribunal Act, the tribunal's report on the textile tariff reference, in both official languages.

I wish to thank the tribunal for its extensive research in studying the issues and for the openness of its inquiry process. The government will be responding to the report after carefully reviewing and assessing the tribunal's research and recommendations.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 16 petitions.

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

* * *

BUSINESS OF THE HOUSE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I believe you will find that there is unanimous consent for the following motion:

> That, notwithstanding any Standing Order, on Monday, March 26, 1990, the House meet at one o'clock p.m. and proceed to the Business of Supply

The Acting Speaker (Mrs. Champagne): Does the hon. minister have unanimous consent to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Andre: Madam Speaker, I think there will be recognition by members of this House that as a result of deliberations from ten o'clock to eleven o'clock this morning and the point at which we are in the Routine Proceedings it would be possible, by relatively elementary use of the rules, in fact to deny any opportunity for any debate whatsoever by the New Democratic Party on its motion. This would be a use of the rules of the House in an inappropriate fashion, and we do not intend to do that.

I raise the point to make one simple point. The rules and procedures are there to facilitate the operations of the House. From time to time they are used to make a point, and that is part of the procedure, but to use the rules to deny anybody in the House the right to do what they were elected to do, namely for opposition parties to debate on opposition days and for governments to bring their legislative programs to a vote in an appropriate fashion and time, I think is misuse of the rules.

I hope we can deal with items in the future by our past practices of discussing them and making arrangements to make life comfortable for all and to fulfil our responsibilities to the people of Canada, rather than the kind of guerrilla warfare which I maintain merely wastes taxpayers' money and is not fulfilling our duty.

I say to the New Democratic Party, not in anger or anything, that we do not intend to destroy their day. The power would be here. It would accomplish nothing except another tit for tat operation which only leads to frustration and the government not doing the duty it has to the people of Canada who elected it.

* * *

HOUSE OF COMMONS

AMENDMENT OF STANDING ORDERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, at the last meeting of House leaders unanimous consent was given for the following motion:

> That Standing Order 129 be deleted and the following substituted therefor:
>
> "129.(1) At the beginning of a session, the Clerk of the House shall publish in *The Canada Gazette* the Standing Order respecting notices of intended applications for private bills and the Standing Orders respecting the time limit for receiving petitions for private bills. Thereafter, the Clerk of the House shall publish weekly in *The Canada Gazette* a notice referring to the previous publication of the aforementioned Standing Orders.
>
> (2) By the first day of every session, the Clerk of the House shall announce by notice affixed in the lobbies of the House the time limit for receiving petitions for private bills."

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I only want to state that there was such consultation a few days ago. Indeed we are prepared to give unanimous consent on our side of the House.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am advised that there have been appropriate consultations. Of course we will give our unanimous consent, but I would just like to suggest that in the same manner in which we were consulted on the motion by the government House leader in the last 45 minutes dealing with Monday, I was not advised that the parliamentary assistant to the government House leader was to move the motion at this time, so I did not have a chance to consult directly with those in the know. I appreciate the government Whip coming over, but if we could follow

that kind of procedure it would prevent accidents from occurring.

The Acting Speaker (Mrs. Champagne): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

LOW-LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I have petitions with about 480 names from many different parts of Canada urging the government to bring an end to the low-level flight training for NATO operations at Goose Bay and to redirect the funding used in that toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihood and for promoting sustainable development for all Canadians.

GOODS AND SERVICES TAX

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I am pleased to present 19 petitions containing about 662 names of residents of the Okanagan—Shuswap area.

• (1210)

I might add that this is my next instalment of petitions concerning opposition to the goods and services tax, for a total of about 330 petitions and 15,400 names which actually represent over 28 per cent of the registered voters in the riding of Okanagan—Shuswap.

These signatures come from areas such as Blind Bay, Vernon, Lumby, Cherryville, Armstrong, Enderby, Sicamous, Salmon Arm, Sorrento, Anglemont, Celista, Canoe, Malakwa, Mabel Lake, Mara and Grindrod. I might add that I even have a few from Regina and Saskatoon.

The petitioners who have signed these petitions against the GST ask the government to reject the current proposal for a goods and services tax. They ask that there be reform of the taxation system so that there is an effective minimum tax on wealthy individuals and corporations and to ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax this reform not be an opportunity for the government to impose a massive tax grab.

Last, they ask the government to cease with the proposal which will shift the tax burden to ordinary Canadians through a regressive consumption tax.

The Acting Speaker (Mrs. Champagne): This is not quite the time for debate.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I am pleased to stand to present petitions of many people from the city of Nepean who continue to be opposed to the goods and services tax. I have presented many signatures to the House of Commons in this regard.

They ask that the Government of Canada please consider rescinding this very regressive bill.

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, it is my pleasure to present this petition from the residents of Cardigan, Prince Edward Island who oppose the goods and services tax and feel that it would create higher taxes, higher inflation, higher interest rates and higher unemployment.

They call upon this Parliament to reject the goods and services tax.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, today, pursuant to Standing Order 36, I wish to table a petition from Chibougamau, Quebec, concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Chibougamau is without question an isolated area, and that is why your petitioners consider the Brunelle recom-

mendation to be discriminatory, unfair and inefficient as it concerns the Northern Tax Benefit system. It does not encourage settlement in the North and offers no incentive to develop northern resources.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, the following questions will be answered today: Nos. 214 and 224.

[*Text*]

THE HON. GEORGE HEES AND MR. ALLAN GOTLIEB

Question No. 214—**Mr. Milliken:**

Is (a) the Hon. George Hees (b) Mr. Allan Gotlieb in the employ of or under contract with the government and, if so, what are (i) the terms of employment (ii) the rates of pay (iii) the anticipated duration of the contract or employment?

Hon. Leonard Gustafson (Parliamentary Secretary to Prime Minister):

a) **The Hon. George Hees**

He was appointed by Order in Council as Ambassador-at-large and Prime Minister's Personal Representative;

(i) his conditions of employment are those prescribed for senior officials appointed on a full-time basis by Order in Council;

(ii) his salary is in the range $101,400—$123,400;

(iii) his employment is indeterminate.

b) **Mr. Allan Gotlieb**

He is currently part-time Chairman of the Canada Council, appointed by Order in Council;

(i) as part-time Chairman, Mr. Gotlieb is entitled to a per diem fixed by Orders in Council and reimbursement of expenses as provided under the Canada Council Act;

(ii) Mr. Gotlieb receives a per diem in the range $450—$600;

(iii) Mr. Gotlieb's appointment was effective February 1, 1989, and is for a term of five years.

REGIONAL ADVISORY COUNCILS PROVIDING ADVICE TO THE FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 224—**Mr. Boudria:**

Do Regional Advisory Councils currently provide advice to the Federal Business Development Bank and, if so (a) what number (b) in each case (i) what is the region they represent (ii) what are the names of their members (iii) what is the date of appointment of each (iv) what are the qualifications each member brings to his or her council?

Hon. Thomas Hockin (Minister of State (Small Businesses and Tourism)): Insofar as the Federal Business Development Bank is concerned, the response is as follows:

Regional Advisory Councils currently provide advice to the Federal Business Development Bank (FBDB). Section 14(2) of the FBDB Act provides that:

"Each Council shall from time to time review the results of the activities of the Corporation in the Region for which the Council is established and, through its Chairman, may advise and make recommendations to the Board regarding the activities of the Corporation in that Region."

The mandate of the Councils does not provide for a direct role or responsibility in the lending or investment activities of the Bank.

(a) Six

(b) (i), (ii) and (iii)

Provinces of Newfoundland, Nova Scotia, New Brunswick and Prince Edwards Island

Frank Abram Moores	June 1, 1987
Frank William Nichols	June 1, 1987
Anna Albert Guimond	June 1, 1987
Michael N. Burge	June 1, 1987
Donna Marie Thompson	June 1, 1987
W.R. MacKinnon	June 1, 1987
Lloyd A. Diamond	October 10, 1987

Province of Quebec

Vacant.

Appointments presently under consideration.

Province of Ontario

Daniela Anna Clara	June 1, 1987
John A. Elliott	June 1, 1987
Yavar Ali Khan	June 1, 1987
Bob Bohdan Leschyshen	June 1, 1987
Aline Lévesque	June 1, 1987
Glenn Grice	June 1, 1987
Alex Christie	June 1, 1987
Barbara Molot Sugarman	June 1, 1987

Province of Manitoba and Saskatchewan

Garth Walls	June 1, 1987
James F. Fairman	June 1, 1987
Penny Paget	June 1, 1987
Wilfried K. Eckl	June 1, 1987
John Gregory O'Hanlon	June 1, 1987
Gerald L. Dorge	June 1, 1987
Ralph C. Yapp	June 1, 1987
Donna-Marie Gurr	June 1, 1987

Province of Alberta and the Northwest Territories

Gabrielle Decorby	June 1, 1987
C.W. Newton	June 1, 1987
James Fredrick Kalmacoff	June 1, 1987
Richard C. Fraser	June 1, 1987
Rita Pasiciel	June 1, 1987
E.M. (Al) Davison	June 1, 1987
William R. Bauman	June 1, 1987
Richard Hobbs	June 1, 1987

Province of British Columbia and the Yukon

Robert B. Leeson	June 1, 1987
Patrick James Lett	June 1, 1987
Dirk A. Yzenbrandt	June 1, 1987
Victor E. Kurceba	June 1, 1987
Olga Ilich	June 1, 1987
Milton H. Cook	June 1, 1987
Fred C. Garnett	June 1, 1987
James Frederick Butchart	June 1, 1987

NOTE: (i) These regions were designated, pursuant Section 14(1) of the FBDB Act by the Governor in Council in June 1976.

(b) (iv) The Members of each Council are active business persons, professionls or other representatives of diverse communities. Each of the Members contributes to the activities of the Council based on his/her unique experience as an active member in the community.

[*English*]

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the parliamentary secretary have been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if Question No. 220 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that Question No. 220 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

GOVERNMENT GRANTS

Question No. 220—**Mr. Caccia:**

With regard to all grants made by the Department of Industry, Science and Technology, the Atlantic Canada Opportunity Agency and the Western Economic Diversification Fund (a) does the government review them to assess their environmental sustainability and, if so, who conducts the review and, if not, what criteria are used to determine which grants are reviewed and which are exempted (b) for each year since 1984 (i) have grants been refused for environmental reasons and, if so, what number (ii) what were the dollar values of such proposals as compared to the value of proposals which were approved?

Return tabled.

[*English*]

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

The Acting Speaker (Mrs. Champagne): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—RURAL CANADA

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

That this House call upon the government to commit itself, on the week of the second annual Rural Revitalization Day and the anniversary of the birth of Agnes MacPhail, the first woman elected to this House and an untiring champion of the rights of rural Canadians, to provide for a vital economic, social and environmentally sustainable future for rural Canada and the millions of Canadians who live in our vast rural areas, by implementing a program to:

1) stabilize family farm incomes and ease the crippling debt load which at present threatens the very survival of tens of thousands of family farms;

2) assist fishing communities to survive the current crisis in the fishery and take steps to ensure the proper management of the fishery in the future;

3) modify existing transportation and other infrastructure policies to assure all primary producers, co-operative and rural small businesses that they can be competitive in both the domestic and the international market-place;

4) provide a full range of education, health and other social policies to enable young families, the elderly and others to live comfortably in rural and isolated parts of Canada; and

5) provide a full range of services, including shelters, child care services and skills training to support the crucial role played by women in all rural communities.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, Wednesday, March 21, marked the second annual Rural Revitalization Day.

Rural Revitalization Day is the day proclaimed and set aside by Rural Dignity of Canada and observed by Canadians who understand the proud rural roots of this great country. It is a day to honour Canadian rural communities and to draw public attention to the extremely serious problems currently faced by too many rural communities.

As can be seen clearly, the purpose of this motion today is not to condemn the government. Rather, it calls for continued efforts on the part of government to develop policy and modify existing policy with the aim of strengthening the economic and social base on which communities can grow.

What is rural Canada? More than 90 per cent of Canada is rural. There are 9,000 small communities, cities, towns and villages, as well as several hundred thousand farmers, fishers and other rural dwellers in various occupations.

The industries of rural Canada are farming, fishing, forestry, mining, tourism, transportation and dozens of other locally suitable occupations which supply services to other rural Canadians.

Almost every raw product that cities demand and need come from rural communities. Be it cereals, oil, power, lumber, gravel or even drinking water, they all come from outside city limits. The people who produce, mine or just care for these products are residents of rural Canada.

Almost all of Canada's natural resources and a good part of our human resources are found in that vast area we call rural Canada. Despite having all these rich resources, rural Canadians face a bleak and unpromising future. Farming and fisheries particularly are going through a catastrophic economic time so severe that the future of thousands of Canadians and thousands of farm and fishing families are in immediate and at serious risk.

If urgent government action is not taken, these people will be forced out of business. They will follow their sisters and brothers, sons and daughters to the cities. Their rural communities will wither and die, which deaths will be to the detriment of not only rural Canada but all the rest of Canada as well.

Saskatchewan has been losing 20 residents per day throughout the winter. That is one every hour or so. That means that since the last federal election two towns the size of Humboldt which is my constituency have disappeared from Saskatchewan, or five towns the size of Rosthern, also in my constituency, have disappeared from rural Saskatchewan.

It has been obvious for some time that social, economic and technological changes are aspects of rural life that are resulting in major dislocation and stress in families and individuals in rural Canada. The main concern of farms on the prairies these days, and to a lesser extent across Canada, is the farm debt which is debilitating and causing a considerable amount of concern. Also, the amount of return the farmers are getting from crops and livestock that they raise is so little that they are unable to finance those debts and maintain a fair level of living.

In Saskatchewan alone, out of 61,000 or so farmers, 20,000 are in some kind of financial distress. They are either being foreclosed on or finding themselves in difficulty as far as continuing farming is concerned. All farmers in Saskatchewan, except those who are able to finance themselves, are having difficulty borrowing funds to plant this year's crop. This lack of operating funds is forcing more people off the farms. The impact of having to change one's vocation is much greater than someone who is just changing a job.

• (1220)

The farmer who loses his or her land is forced out of farming. The stress is much greater than would ordinarily be the case in losing a job. It means losing a way of life. It means losing a heritage which may have been built over many generations. In many cases the grandfathers or great-grandfathers homesteaded those farms. They are losing the land that their great-grandfather built, cleared and made into a farm. They are losing the farm. They feel that they are betraying that heritage, the trust of their ancestors, and their children who might follow them on that particular land.

Farmers' sons or daughters do not just decide to start farming at the age of 18 years. They do not just suddenly say: "I am going to take up agriculture and become a farmer". Most people who go into farming have lived on the farm and grew into farming. It is part of their life from their first days after birth. Losing it is like losing that life.

Fishing families have had much the same heritage. Taking them out of the vocation has the same devastating impact as it does on farmers. The stress and loss of confidence to which this leads causes a considerable amount of dislocation and things happen which would not ordinarily happen in those structures.

In my home province we are seeing a tremendous increase in family break-ups in the rural areas. We are seeing a tremendous amount of illness among farmers and farmers' wives, and young farms in many cases. We are also seeing physical illness, psychological illness and nervous breakdowns. The suicide rate has substantially increased, to the point where some psychologists are suggesting that in rural areas more than 50 per cent of the suicides are caused by the economic disintegration of the family farm.

Alcoholism has increased considerably. As in much of the rest of Canada and the rest of society, in bad times women and children suffer the most. When farming, fishing and forestry can no longer provide the requirements of a good life for the family, women and children are hurt the most.

The motion I have put before the House at this time recognizes the crucial role played by women in rural communities. On the farm they are often required to carry three jobs. Not only do they play a substantial role in the operation of the farm; they also raise the family, take care of the house and make sure the meals are cooked. Today, a large percentage of farm women, nearing 50 per cent, work off the farm to bring in some needed cash so the farm can survive. The motion pays special attention to the role of women and the need for support of women in these circumstances.

The impact in rural areas is one of depopulation, not only in farming communities but in fishing communities and in a large part of the rest of rural Canada.

Most city folk consider living in rural Canada sort of idyllic, but it is only idyllic as long as the necessary services to raise a family are in place. They will tell me how lucky I am to live on a farm where it is quiet and serene. It is, and I appreciate it. It is getting more and more difficult to raise a family in those circumstances because the services that are necessary to raise a family, such as education, health services and recreation, are becoming less and less available in rural communities. Rural hospitals, post offices, schools and other service centres are being shut down without any regard for the needs of the people who remain in those communities.

It is time to recognize the immense benefits we derive from these rural and their resources and return to rural Canadians a fair share of the benefits they supply to Canada.

When an industry in a particular area becomes less viable the families start to move out. This depopulation leads to removal of services because the community cannot afford to pay them, or as happened in many cases lately because the government is trying to save some money and is no longer willing to provide those services. When the service people move out they reduce the population further so that more services are jeopardized, which leads to further depopulation. It is like a snowball rolling downhill which picks up snow and becomes larger as it moves down the hill. Or, it is like dominoes set up in a row; when you knock down one eventually all of them fall. We all know the solution if you want to simplify it enough: it is economic stability.

In the case of farming the debt would have to be dealt with as well and first. Most farmers have learned to deal with the variables of raising a crop, fluctuating prices and intransigent weather. On a day to day basis the threat of losing the farm eats into the hope and eventually causes such tremendous stress that psychologically it is difficult for those people to continue. On the farms we must first deal with the debt and, second, we must deal with stable economic income.

Fishing communities are in much the same situation. They face the same kind of extinction in many cases. Again there is a need for the community to survive during a crisis. In the case of fisheries, it is necessary that the available fish provide income to communities and to develop the fisheries to the point where they can expect to continue in those areas. I could go on to talk about forestry and other industries relative to rural Canada

which are being affected these days in much the same way.

• (1230)

In closing, I want to take a moment to pay special tribute to Rural Dignity of Canada. Rural Dignity is a network of Canadians working together to develop public awareness of the problems facing rural communities. Rural Dignity is more than that, however. It is a committed group of people who work to find realistic solutions to the problems faced by rural communities throughout Canada. Rural Dignity is to be commended for efforts to strengthen the economic and social base of rural Canada.

I want to quote two excerpts from press releases and news items which have come out of write-ups of the Rural Dignity:

> Towns and villages are ecosystems as fragile as any marshland or northern shore. The social and economic well-being of our small communities, their relation to one another and with the entire country rests on a delicate web of interdependent threads: post offices, trains, local fish plants and grain elevators, family farms.

That is the kind of concern that Rural Dignity has been showing for what is happening to rural Canada.

It is my fervent hope that all members of this House, on both sides of the Chamber, will reflect on the difficulties experienced today by thousands of farming and fishing families, dwellers of rural Canada.

This motion was intended to be, and is, a very positive motion. It does not condemn the government. It does not look into the past to say anything about who should accept the blame. It talks only about sustaining rural Canada. It does not blame anyone. This motion points out the need of action if rural Canada is going to survive. It attempts to tell all of us how important and valuable rural Canada is, and how it is important, not only to those rural Canadians, but to the rest of the nation. This motion, as far as possible, is intended to be a vehicle. It is an attempt to draw attention to the way of life that is important to Canada and the basis for the heritage of many people in the country.

This motion points out the devastation of rural Canada does not have to happen and that we should make a commitment now to provide the economic, social and environmental atmosphere to have a sustainable rural Canada. Consequently, I hope that all members here today can find it in their hearts to say, yes, even if we cannot do it today or tomorrow, we will make a commitment to make sure that rural Canada can survive in the next few years. We need rural Canada as much or more than we need the strengthened economy of the cities.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, I welcome the opportunity to speak about a subject that is very near and dear to my heart. I want to associate myself with many of the comments that the hon. member outlined when talking about the amenities of rural life and the very special life-style that it provides to so many people, particularly those who are involved in farming, fishing, mining, forestry and the tourism industry.

His motion does zero in on a number of items such as stabilizing the family farm income and the debt situation. I would want to seize the opportunity to place on the record some of the initiatives that our government has taken in that regard.

The hon. member talked about the fishing communities and the fact that we all recognize that there are some difficulties in the fishing industry and in the Atlantic region particularly. We are addressing those problems, first, with a commitment of $130 million that was provided as an interim measure of support. As well, as the Prime Minister and the Minister of Fisheries have indicated in the House, we are working on a package which, hopefully, can be announced fairly soon to help resolve some of the difficulties that result when the stocks of fish are declined to the extent that it does affect the rural communities in a very devastating way.

He talked as well about transportation, the need to have an adequate transportation infrastructure, and to ensure that that transportation system is efficient, effective, and does provide the necessary links for commodities and people to travel. In the course of my experience as a cabinet minister, particularly as Minister of Transport, we embarked upon a program of regulatory reform which freed up the system enormously. I must say that I get a tremendous amount of satisfaction when I land in Halifax, for example, and I see all the commuter aircraft parked at the Halifax air terminal. They provide service to many of the smaller communities that never had service before.

The same applies in Edmonton and Calgary and perhaps even more so in Vancouver where the smaller communities are linking up with the major carriers, providing regular service and greater frequency of service. Maybe they are not flying jets, but what they are indeed flying are products built here in Canada, such as the de Havilland Dash–7 and Dash–8. That really demonstrates how one can integrate the policies of transportation with economic policy not only to improve the transportation system for all Canadians but indeed to create jobs in those very important industries.

Rural life is very special. I certainly associate myself with the words of the hon. member. There is a sense of hardiness and a sense of community. There is a sense of community discipline and a pioneering spirit that is evident in smaller communities. There is a sense of self–reliance. There is a sense of co–operation and support in smaller communities. One of the great gifts of a small community is that if you are ever in trouble as a citizen there, you are never alone. Your neighbours and friends are the first ones there to help you. As a result of that attitude, there has been a tradition developed in these communities. It is as alive today as it was when the rural areas were first settled. There is that clear gift of helping each other and co–operating. I am sure the hon. member would agree that it was in that spirit that many of the co–operative movements sprang up in western Canada, movements which are still in effect today.

I know that there are many problems in the rural communities. But even today what is most satisfying is to go to a community and see the citizens roll up their sleeves to build a community hall, a curling rink, an arena or a cultural facility. I am sure the hon. member, as I do, has opportunities of opening these facilities. With a certain amount of government assistance provided at both the federal and provincial levels, we provide that kind of additional stimulus to ensure that spirit of co–operation and reaching out to help each other is nurtured.

Clearly, from my perspective, rural life and agriculture are really synonymous. As agriculture changes, so does the environment within our rural communities. It is true that the agriculture industry, particularly in western Canada, has gone through turbulent times in the past few years. Many people overlook this but we had a drought situation that was worse than what was experienced in the Dirty Thirties. The fact that farming and farmers have survived is a tribute to their resilience and a tribute to the fact that governments have in fact responded to this particular challenge.

• (1240)

We have trade wars resulting in low commodity prices. We have had other weather related disasters. In some areas, we have had excessive rain and flood situations. We have had grasshoppers. We have had the problem of increasing input costs. We have had the problem of changes in the market–place.

In Question Period earlier today, I outlined the fact that today the European Economic Community is no longer one of our major customers. It is one of our major competitors. As a matter of fact, it is the second largest exporter of grains and oilseeds in the world. That has an impact on us within our own agricultural industry and it also has an impact upon the rural communities relying upon it for their sustenance.

There have been changes in consumer demands. People are eating different things and placing priorities on different articles of produce. That has to be taken into consideration. Above all, there have been changes in technology.

All these elements have made it necessary for agriculture to adjust and to change and that has had an impact upon our rural communities as well. There is, particularly, the devastating reduction in incomes as a result of drought and other weather related disasters. Bear in mind that we had programs such as stabilization and crop insurance in place hopefully to respond to these. But, the experience of the past number of years demonstrates to us that these programs have not been adequate or sufficient. The result of this has had a major impact upon market receipts, particularly in western Canada.

I would like to read into the record the market receipts over a five–year period. These are market receipts in western Canada because that is what the hon. member was referring to primarily. In 1984, the market receipts were $6.5 billion; in 1987, the market receipts dropped to $4.6 billion, a drop of almost $1.9 billion in the market–place; in 1988, they strengthened to $5.1 billion; in 1989, they strengthened more to $5.6 billion; and in 1990, the year about which everybody is very concerned, market receipts have gone down slightly but not nearly as

dramatically as they did between 1984 and 1987. At $5.3 billion, obviously there have been other factors that have been taken into consideration. What I am saying here is that with that decline in revenue from the market-place, clearly farmers would not have been able to survive without massive government support. I would like to put that into perspective.

In the period of 1981–84, the average realized net income in the agricultural community in Canada averaged $3.1 billion. In the period 1985–89, it averaged $4 billion, an increase of about 30 per cent. Direct assistance provided by the federal government in 1981–84 averaged about $600 million. Direct government assistance provided by the federal government in the period 1985–89 amounted to $2.5 billion on average. That is over a fourfold increase. It does not matter how you slice it, there has been massive government support.

In terms of federal support for all of agriculture, in the period 1981–84 it averaged at $2.3 billion and between 1985–89 it averaged $4.6 billion per year. That is a twofold increase. I think that is very important to keep in mind because we certainly have to give credit where credit is due.

What is more important, and I want to point this out, is that there has been a dramatic increase in support at the federal level over what the provinces have been providing. In terms of the total government support package, federal government support rose from 60 per cent in the early 1980s to over 75 per cent in the latter part of the decade. In the prairies, it has risen. For example, in the period 1981–84, Manitoba provided about 20 per cent of the assistance support and the federal government provided 80 per cent. In Saskatchewan, in that same period of 1981–84, the federal government provided about 85 per cent of the support and the province, 15 per cent. In Alberta, in that same period of 1981–84, the federal share was 45 per cent and the provincial share was 55 per cent.

To illustrate what I am saying, in the next five-year period, 1985–89, in Manitoba the federal share went up to 90 per cent and the provincial share dropped to 10 per cent. In Saskatchewan, in that same period, the federal share was at 87 per cent and the provincial share was at 13 per cent. And in Alberta, the federal share went up to about 65 per cent and the provincial share was at 35 per cent. I think that clearly demonstrates the fact that the federal government has been there, as we have said we would be there, and we are there today.

A few other things have happened and I would like to put them on the record because it ties in to the first element of the hon. member's motion. That is the whole issue of providing income stability and dealing with the debt load. Let us just review the record.

I should say that federal assistance to the grains and oilseeds industry from 1981–84 amounted to $350 million annually. That is an average. From 1985–90, it amounted to $2.5 billion per year, a sevenfold increase to the grains and oilseeds sector.

Here are some of the other things that we did during the period of 1985–90. We placed a moratorium on foreclosures while addressing the serious financial difficulties being experienced by the farm community. That was from December 1984 to May 1987.

We brought in an $80 million, 4 per cent interest rate reduction program, reducing all Farm Credit Corporation loans at 16.75 per cent down to 12.75 per cent. It was at 16.75 per cent because, remember, we were coming out of that period of high interest that the Liberals were responsible for. It drove interest rates up to 24 per cent. That is what happened.

We introduced the shared FCC risk mortgage. We established the Farm Debt Review Board program. Some 9,000 applications have been handled by this program. There were 6,500 arrangements identified, meaning that 77 per cent of those using the board have reached an agreement. We committed $360 million to the Farm Debt Review Board to cover concessions, interest rate write-downs and write-downs on the value of the land. We have injected some $600 million into the Farm Credit Corporation, to cover loan losses. There is about $1.4 billion that needs to be written down.

As a result of the government assistance, a new band-aid, and considerable effort by the FCC, arrears have declined from almost 15,000 loans in fiscal year 1987 to 9,000 loans in February 1990. Of the 5,700 Farm Debt Review Board cases referred to by the FCC, 5,200 have been resolved. We established a $30 million Canadian rural transition program. We announced commodity-based loans. We passed a new farm improvement loan act. We brought in the two Special Canadian Grains Programs. We covered $300 million worth of losses in the

Canadian Wheat Board pool accounts. We covered $750 million in losses in the Western Grains Stabilization Act.

We contribute about $200 million annually for crop insurance and that is going to go up to $300 million. We paid out some $4 billion under the WGSA between 1985 and 1989, and I think that ratio was about $10 or $11 federal money for every $1 put in by the producer. We incurred a deficit in the federal crop insurance fund of some $500 million over the last four years as a result of payouts of $2.4 billion. We have improved the crop insurance program to include the multi-year disaster benefit relief program of which over $100 million has been paid out this year. We provided fuel price rebate relief of $200 million per year. We provided a total of $1.17 billion in emergency drought assistance between 1984 and 1988 and we brought in stabilization programs for the red meat industry, expending some $650 million to date. From 1984–85 to the present, we expended some $483 million for horticulture and eastern grain products through stabilization programs.

• (1250)

That in itself is quite a litany of achievements and I could go on. After 1984–85, we presented the five-year dairy program and provided $1.2 billion. We provided tobacco growers with $62 million, and grape growers with $128 million in transition assistance. What is encouraging is that both the grape and the wine industries are moving along very nicely, thank you very much, both in Ontario and in British Columbia. The fact of the matter is they recognize that adjustments had to be made. The federal government was there, and the provincial governments as well, to help in that adjustment process.

So, total government initiatives during the period 1984–90 have well exceeded some $22 billion. I could go on and talk about the improvements in the crop insurance program and the plant breeders' rights.

Today, I am announcing that the farmers living in the designated areas of Manitoba, Saskatchewan and Alberta are eligible for a one-year tax deferral on income derived from the drought-induced sale of breeding livestock in 1989. This is something that has been done before with regard to the serious drought problems in that particular region. There are other areas and we will be writing to the Minister of Agriculture for the province of Ontario which has some pockets of drought. Wherever there are pockets of drought based on forage yields of less of 50 per cent of the normal yield, this will trigger that same initiative. But that again outlines the sensitivity that we show toward agriculture and how we put our money where our mouth is.

I said as well that there are changes in the marketplace. The European Economic Community is engaged in a massive subsidy program. It is enormous. As I said earlier, in the case of Canada we have a situation where it has switched from being a net importer of about 12 million tonnes of grain per year to being the world's second largest exporter of grains and oilseeds, roughly 25 million to 26 million tonnes projected for this year. It got there by huge subsidies.

I noted the OECD has estimated that total support for agriculture in OECD countries was over $250 billion U.S. in 1989. Of that, some $100 billion U.S. was provided for by the European Economic Community; $67 billion U.S. by the United States; and $60 billion by Japan. The bulk of it is being provided by those countries. We have talked about the levels of export subsidy support through the EEP. It is roughly in the range of $17 per tonne at the present time and the European Economic Community is at $80 per tonne.

Let us just look at what they are spending in terms of their export programs, intervention costs and production refunds. In 1986—and this is in Canadian dollars—the European Economic Community spent $4.5 billion in direct assistance which is geared essentially toward getting its market share. In 1987, it was $6.3 billion; in 1988, it was $6.4 billion; and, in 1989, it was $5.2 billion. Those are enormous amounts of money.

The United States, in terms of the export enhancement program, in 1986–87 spent $842 million; in 1987–88, $1.446 billion; in 1988–89, $545 million; and from June 1989 to January 26, 1990, $178 million U.S. One can see there why the Americans are responding to the Europeans because of the huge subsidies that are engaged in. That is a fact of life. We have to recognize that.

We have to find new customers for the grain that we marketed to the European Economic Community and the displacements which have resulted from their very generous export program. That is why we are committed through the MTN to the progressive reduction in trade-distorting subsidies. We are committed to achieving greater market access and to reducing the level of export subsidies. We are committed to reducing the level of internal support and to developing a more harmonized application of the rules as they apply to health and sanitary measures.

The bottom line is that we want a rule book that applies equally to all. We want a rule book with no waivers and no variable import levies. We want a clear set of rules and that is why we are attempting to change Article 11 and bring it up to date to where it should be.

Changes in technology have also contributed very much to the impact upon rural life. Twenty years ago in western Canada, we had 5,000 elevators in operation. Today we have a little over 1,000. We have 1,600 to be exact.

The number of delivery points has gone down. In 1969 and 1970, we had roughly 1,800 delivery points. We are down to 1,000. Those changes have taken place. Those changes have impact upon rural communities. It is the changes in technology, in consumer attitudes, and in world trading patterns, and it is the impact that all of these things have upon the rural life-style and rural living. This government recognizes that. This government has responded to it in the past. This government will respond to that challenge with the farmers in the future.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, I would like to thank the minister for participating in this very important debate and for giving us an opportunity to hear the contribution the federal government has made to farm life, particularly in western Canada. I would like to use a little broader approach than the one he has used to outline why the Canadian western economy is in such great trouble.

He took pain to point out that the contribution of the government of Manitoba—and far be it from me to fight for the government of Manitoba these days—has dropped down to 10 per cent, while the federal government's contribution has increased to 90 per cent.

In his answer, could the minister put that into the context of the cancellation of ERDA agreements, the decline in the amount of moneys available to the Western Development Fund, and the fact that, as the federal government has pulled out of other funding mechanisms, it has been necessary for the provincial governments across western Canada, in fact, to protect their budgets from declining revenues and declining transfer payments.

Although I am not inclined to share many of the priorities of the provincial government in Manitoba, I think it is only fair for the record to indicate that it has had an increasingly difficult time for them, because the federal government has decided to change their funding strategy.

Second, would the minister perhaps address a question that the premier of Saskatchewan considers to be paramount in saving rural life in western Canada. That is approaching banks for relief on questions of interest rates? Could he indicate the extent to which the government is willing to get involved in seeing that the banks do everything they can to alleviate the pressures of western Canadian farmers?

Mr. Mazankowski: Madam Speaker, there are about four questions there. I hope I can cover them all. They are very important questions and I appreciate them very much.

On the issue of the ERDAs, we have not cancelled ERDAs. ERDAs will be negotiated. They may have a somewhat different criteria, but the fact of the matter is that the hon. member talked about reducing regional development spending in western Canada and I would not want to leave the House with the impression that he has just suggested.

Quite frankly, compared to the period between 1980 and 1984, as compared to the current five-year period, western Canada's share of the national regional development funding pie has risen from 21 per cent to 32 per cent. I ask him to check that record. It is in the budget papers of April. I forget the page number, but I can give it to him if he would be interested.

• (1300)

The amount of money that has been provided for western Canada in the regional development fund has increased from a level of $500 million in the period 1980–84, when there was literally nothing going out to

the four western provinces. The fund for the current five-year period is $1.8 billion.

Mr. Walker: Are all those agreements signed?

Mr. Mazankowski: No, they are not all signed. That is wrong.

Then there is the western diversification initiative which the Liberals try to take issue with. I can say that some $715 million has been expended, covering 1,500 and some-odd different projects.

Mr. Walker: Expended or allocated?

Mr. Mazankowski: Allocated. Talk to the people who get the consideration of the western diversification. The proof of the pudding lies right there. They are jealous because they did not do anything. They had a $4 billion vanishing fund that never saw the light of day. They spent $60 million out of it. It never occurred. The fact of the matter is that this is a very, very important initiative.

Right in his own area, and this again speaks to diversification and to the free trade agreement, Versatile Manufacturing was a basket case. The government worked out a recovery package with Ford-New Holland. At that time there were 300 people employed by Versatile. Today, there are over 1,100 employed by Versatile, thanks to free trade. If you heard what they are saying now about the GST, you would know that the combination of the GST and the free trade agreement will tilt more of the manufacturing into Winnipeg. That is the kind of regional development and the kind of broadening of the scope of the economic fortunes of western Canada at which we need to be working. That is what we are doing.

With regard to the question of the banks, I can tell the hon. member that I did attend a meeting with the premier to talk to representatives of the banks about the farm debt and the farm credit situation. It was a very good and a very constructive meeting. I think there are some things that can and will be done.

For our part, as it relates to the Farm Credit Corporation, we are looking at a number of options that we might be able to engage in with respect to extension of leases and with respect to modifying the farm debt review board process. This would provide greater latitude and greater flexibility to farmers who are really trying to maintain a good credit rating and who have some obvious chance of success and viability. We are going to be adjusting that so that they can be accommodated in a more compassionate and beneficial fashion.

I appreciate the hon. member's question. I can assure him that we are looking at these things.

I should also say that the banks are only one component. They charge interest for the services they provide. We know interest rates are somewhat high. That is an input cost component. We also have to recognize that there are other cost components such as fuel, fertilizer and chemicals. We are also looking in those areas to see what we can do to bring down the prices.

There, again, the GST will bring down the cost of inputs by $240 million to $250 million across the country.

Mr. Walker: Don't push your luck, you were doing fine.

Mr. Mazankowski: He should not laugh at that, because $250 million to farmers is a lot of money.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I wish to thank the minister for attending this important debate today. His concern for rural Canada is certainly noted by this side of the House.

He cited a lot of statistics and figures about the effort the government has made over the last couple of years concerning its support for agriculture and the rural economy. The people on the farms and in the small communities are looking for only one statistic—a statistic that shows they have a healthy economy in agriculture and in rural communities.

The minister is aware, since he alluded to it in his speech, that the health of the agricultural economy has a significant impact on the health of our rural community. If there is no money in agriculture, there is certainly no money in the rural community. If there is no money in agriculture, there are fewer farmers on the land. That means there are fewer people in the small town churches, in the school system, and fewer people who support the curling rinks and the community arenas. Obviously, there are fewer people who support the rural businesses that are the mainstay of keeping other people inside that small community.

If we have a strong rural community, a quality of life that is acceptable to the seniors and the young people in those smaller communities, then we need a strong commitment to increasing the value of agriculture.

In light of all of that, my question to the minister relates to the premier of the province of Saskatchewan, who earlier this week in a throne speech suggested that he had received a specific commitment from the federal Minister of Agriculture about the agricultural financial crisis. The premier of Saskatchewan, the Saskatchewan Wheat Pool and members of Parliament in this House from Saskatchewan have asked for a $500 million payment at the very least to help secure the health of the farm economy this year.

I am wondering what commitment the Minister of Agriculture made to the province of Saskatchewan which the premier of Saskatchewan spelled out. When will he deliver on that commitment?

Mr. Mazankowski: Madam Speaker, I want to repeat again that the commitment of this government as provided in terms of extending money and resources to the farmers of Canada is unprecedented in the history of this country. There is no question about that.

There are still problems. That suggests that money alone will not solve all the problems. I am glad the hon. member agrees with that because there are certain things that happen beyond our control such as changes in market trends, such as the actions of other countries and their various priorities. There are changes with regard to consumer attitudes and tastes, changes with respect to greater emphasis on environmental matters and in particular changes with respect to technology.

The hon. member would agree with me that change in agriculture is a constant. It has always been with us and our ability to adapt to change is perhaps one of the reasons why we have been successful over the years.

I repeat again to the hon. member, recognizing that the period we have gone through in Saskatchewan, Alberta and Manitoba from a precipitation and heat point of view—in other words, summed up as a drought—is far worse than it was in the dirty thirties. We all know what the dirty thirties did to that region of the country. We have gone through some difficult times, but we have been able to survive, thanks to the resilience and ingenuity of the farmers and thanks to the support of both the federal and provincial levels of government. I do not think you can deny that.

I also say that the changes that have occurred in the rural community are in large part technological change. We are producing more with fewer farmers. We are producing more grain and we have fewer elevators. We are producing more grain and we have fewer delivery points. As I said, 20 years ago there were 5,000 elevators in western Canada. Today, there are roughly 1,500 to 1,600.

An hon. member: That's nothing.

Mr. Mazankowski: The hon. member says that is nothing. I think it is something. Twenty years ago we had 1,800 delivery points. Today, we have just a little over 1,000. Is he telling me that that does not have an impact upon rural life? You bet it does. You can't blame that on the Tories. You blame that on the ingenuity of the grain handling companies, the farmer-owned co-operatives because they know that they have to be competitive to survive.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I am certainly pleased to have the opportunity today to stand and speak for a few moments on the motion before the House which in part is calling upon the government to provide for a vital economic, social and environmentally sustainable future for rural Canada.

• (1310)

As has been discussed by previous speakers this afternoon, rural Canada is certainly a very important sector of our society. I think that we need to do more to explain to Canadians the importance of rural Canada in the society in which we live. It is a society that is changing for many reasons. I will touch on those reasons.

I would like to point this out to members of the House today and ask them to reflect on it for a moment. There are four creators of wealth in the world. One is forestry. One is fishing. One is mining. One is farming. There is nothing on the face of the earth that we use or see or need that does not come from one of those sectors. All of those are part of rural Canada. All of those make up

rural Canada. Some of them are a more populated sector of the rural area than others.

I also want to state that I have always and will always firmly believe that as goes agriculture, so goes the economy of any country. If we look around the world it does not matter how a country is trying to survive, if it does not have a strong, viable, economically strengthened agricultural industry, then the economy and the future of that country is certainly in question. I can give examples of that but I think as we stop and think about it they will come to the minds of all of us.

I said a few minutes ago that the rural community is changing. We all know that we are losing small towns in the prairies for different reasons. The industry is changing. We all know that in the more heavily populated parts of the country, urbanites are moving into rural areas in order to live the way of life that is there. As this takes place, I hope the government keeps in mind that we must still maintain what rural Canada is all about. In order to do that we must maintain the management tools. We must maintain and assist the abilities of the people in those communities—the farm people, the primary producers and the processors—in order to keep that economy going.

We also must keep in mind that we have a debt not only to ourselves but to our children, our grandchildren and those who will come afterwards. That debt is to rural stewardship, to the stewardship of the resources that we have. We spent a lot of time about 18 or 24 months ago on one of the greatest debates that this country ever had. I refer to the free trade debate. We spent a lot of time talking about oil and gas and water. We also spent time talking about agriculture. But I do not think we took the right tack. I do not think we recognized the importance of agriculture to this country.

We are all concerned about food safety and food quality. I call upon the government to recognize to a greater extent than it is at the present time that, yes, there may be a few added costs to producing food in Canada, but I think that Canadians are prepared to pay that cost, if necessary, if it is explained to them. We have the safest food in the world right now. I believe that if it is explained to Canadians, they do not want to get things cheaper in the short run and then realize that it may cost in the long run. They are prepared to pay in order to produce that food at home so that we can have it produced under our own guidelines and under our own regulations so that we can continue to have that safe food supply.

Another aspect I want to touch upon is one that is in the motion today. The motion states in part:

> 5) provide a full range of services, including shelters, child care services and skills training to support the crucial role played by women in all rural communities.

A few years ago I served as a member of the Ontario Task Force on Health and Safety in Agriculture which went across the province of Ontario for a great number of hearings. It was probably brought out to me at that time more than ever the importance of women in agriculture and the role they play. We know that there are fewer and fewer farmers in Canada. We also know that a higher percentage of those farms are spearheaded by women. A higher percentage are owned, operated and controlled by women.

We also know that the role that ladies play in the operation of those farms is very, very crucial. Because of the economic times, on many farms in Canada farm women may very well have an off-farm job. As well as having the off-farm job, they have the household to maintain, the family to look after, and in many cases they also play a major role in the management and bookkeeping of that farm.

I can name many farms where, when it is payroll day or bookkeeping day, the farm women may very well be up at 4.30 or 5 in the morning in order to get the payroll ready for the staff if there is a number of them, or they work late at night in order to do it. We have to recognize that.

I call upon the government not to withdraw from any more programs. There have been a lot of programs withdrawn in the last two or three years by this government. The Nielsen report of a number of years ago pointed out several things in the agricultural field that should be addressed. I am certainly disheartened by the way the government has addressed the changes that have been made to the farm improvement loans which now makes them virtually non-existent. The fuel tax rebate has been taken away for the most part. The assistance programs for fruit and vegetables storage construction, which the federal government shared in, has expired.

The At and East program for assistance in freight rates for grains has been taken away.

As we have been discussing lately, there is disappointment in much of the farm community concerning the contribution that the federal government is going to be making to the crop insurance program to the extent of 25 per cent rather than to the 33 and one-third per cent as was requested.

I would like to touch for a few moments again on the role of the government in our request for it to pay attention, give assistance and provide the management tools to the whole rural community. As I say, the rural community is changing. The percentage of family farms or farm families that are there now compared to 10, 15 or 20 years ago is different. The urbanites are moving into the country. The agricultural people are realizing that they have to change some of the ways in which they do some things. They need support for that. They need the assistance of governments in order to explain their way of life, explain to urban people what they are and that they have come into a new community. There may be noises, sounds and odours that they are not used to, but they need to be there.

Madam Speaker, I thank the House for the opportunity this afternoon to make a few comments on this motion. Again, I plead with the government to recognize these requirements of the rural community and not do anything more to take away from the rural community.

The Acting Speaker (Mrs. Champagne): There are five minutes of questions and comments. The hon. member for The Battlefords—Meadow Lake.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I have a question for the hon. member for Prince Edward—Hastings.

Rural Dignity is a very important player in the whole picture of the rural crisis that is occurring right now. I am just wondering if the hon. member is aware of the activities of Rural Dignity in his riding and throughout other parts of the rural community. In particular, is he aware of the work that it is doing on behalf of rural residents who are fighting to maintain their post offices in rural communities right across the country.

• (1320)

Mr. Vanclief: Madam Speaker, in response to the hon. member, I will have to say that, to my knowledge, in my area of Ontario there is not an active Rural Dignity group. However, I am somewhat familiar with the work that it is doing and attempting to do, which is excellent work. But in my particular riding there is not such a group.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I would just like to pose the second part of my question again which concerns rural post offices. I am wondering if the member could tell me what is happening in his area with rural post offices, the closure of post offices, and what the rural residents in communities in his area might be doing about it.

Mr. Vanclief: Madam Speaker, we have had one or two rural post offices in our riding "consolidated", which was the word that was used. I do not think my rural area is any different from any other, in that the people are not at all pleased with what is taking place. I am pleased to say, in the last few years they have had some success in keeping some post offices open, when there were attempts to have them closed.

Quite honestly, within four weeks of being elected to the House, I was approached by Canada Post, which informed me that the post office in my own village was being closed. However, in working with Canada Post, we were successful in getting it to move it to another facility in the very same village.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I welcome this opportunity today to speak to a motion that calls upon the Conservative Government, in the week of the second annual Rural Revitalization Day, to take steps to provide for a vital economic and social future for rural Canada.

Madam Speaker, we must not forget that since the Conservatives came to power, this government made savage cuts in VIA Rail and caved in to GATT decisions when it should have protected Canadian farmers, especially Canada's dairy producers. Farmers in general are suffering as a result of the negligence of the government across the way, and when we look at our rural communities, a number of institutions such as post offices are disappearing.

In 1986, there were 5,221 rural post offices in Canada. Today, 400 of these post offices have disappeared, and according to the Canada Post corporate plan, they will all be gone ten years from now.

[*English*]

Madam Speaker, 10,000 people work in rural post offices in Canada, and 83 per cent of them are women. Once this project of shutting down rural post offices is complete, the government will have been responsible for the largest firing of women in the history of Canada—8,300 of them will have lost their jobs. That is the sad reality.

Last night, I attended a meeting in my constituency in the small village of Dalkeith. Dalkeith is a community in Glengarry county and, Madam Speaker, as you probably guessed from the name, it is a very Scottish name, indeed. In that village, Canada Post is now proposing to shut down the post office and replace it with a franchise.

Canada Post has what it calls a natural opportunity. It defines a "natural opportunity" as being that occasion in which a postmaster or postmistress resigns or dies. Therefore Canada Post then has the privilege of shutting down rural post offices.

Canada Post cheats every now and then. What it did in this case is it went to see the postmistress and offered her early retirement. In other words, the person was not even scheduled to retire. The person was not scheduled to have a "natural opportunity". When Canada Post does not have a natural opportunity, it simply creates one.

What did it do? It asked the postmistress to take an early retirement for a certain undisclosed sum of money. I am not blaming the postmistress. After all, if one has worked for a long time and one is given a financial opportunity to retire early, perhaps she is correct in taking that opportunity.

However, Canada Post did this without attempting to secure alternative space for the post office, or even alternative space for its privatized so-called retail postal outlet. Now we have a situation whereby we are losing the service in that village. We do not know whether anything at all will replace it.

There has been a post office in Dalkeith for 123 years. It serves 81 residences in the village and 283 residences on rural routes for a grand total of 364. Assuming that there are three people per household, it means that this post office serves 1,000 people.

Last night at the public meeting 289 people signed a petition that was presented to me. That was 289 people who signed a petition right in that room. I know it was not signed in advance because I brought the form with me. They all signed the petition in that room. In other words, one-third of the whole population—man, woman and child in that community—was in the recreation centre last night in order to voice their concern about that rural institution we call the post office.

People do not drive for miles or take whole evenings of their time—one-third of the population does not mobilize itself—for no reason. It does so because it feels in its heart that retaining that post office is something important to the rural way of life.

I say to the minister responsible for the post office, who interestingly enough is the same minister responsible for building strip joints, that the people of Canada want to keep our postal institutions in this country. That has never been demonstrated any better than by what the people of Dalkeith did last night. I hope that the minister responsible for the post office listens to what the people of that community say.

[*Translation*]

Madam Speaker, in the last Budget brought down by the Minister of Finance (Mr. Wilson), we saw that the consumer watchdog for Canada Post had disappeared.

The Postal Services Review Committee was eliminated by the Minister of Finance in the Budget speech. Interestingly, the minister responsible for Canada Post said in 1988 that:

> —considering that Canada Post had become a viable operation and that its revenues came from postal service users, customers therefore had a say in a national and local issues.

This means that in 1988, the government's position was that consumers had the right to be heard to be protected if Canada Post made decisions that went against their interests.

• (1330)

We now see a situation where the Minister of Finance has eliminated this consumer spokesperson, this watchdog, as I said earlier. We could say the watchdog was muzzled by the Minister of Finance when he slashed the

Budget, a Budget that would otherwise have provided funding for the Postal Services Review Board.

So we have the following situation: Canada Post has a monopoly on postal services, a monopoly it needs, I must admit. It has a monopoly, and of course the Gouvernment is taking a hands-off position on Canada Post, ostensibly because it is a Corwn corporation and the government has no right to intervene. So we have a regulated monopoly that is accountable to no one. Perhaps we should say we have a deregulated monopoly, because there seem to be no regulations to prevent Canada Post from doing what it did, for instance, in the case of the Dalkeith Post Office or in other cases.

My point is, Madam Speaker, that in order to maintain the quality of life in rural areas, the government must reinstate this Postal Services Review Committee or Board.

[*English*]

Canada Post spends $17 million annually on advertising to tell us that it delivers the mail. Most of us, I would suspect, already knew that Canada Post delivered the mail. Most of my constituents know that already. Perhaps there are occasions on which it does not deliver the mail and it tries to tell us that it does, using these advertising methods.

However, the Postal Services Review Committee which was there to watch over Canada Post on behalf of consumers was eliminated because it cost the taxpayers of Canada $3.6 million to operate. If the government across the way really cared about the people of rural Canada or about the people of Dalkeith or of any other similar small community which sees itself in a dispute with Canada Post of the type that I previously described, then why did it not cancel the useless $17 million advertizing budget of Canada Post instead of cancelling the $3.6 million to keep the post office watch dog that was there for consumers?

I am pleased to have had this opportunity to speak on this debate today and to offer my support to my constituents living in rural areas, in the hope that the Government of Canada will finally recognize that rural Canadians deserve better than what they have received since 1984.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, the hon. member for Glengarry—Prescott—Russell and I have shared some opportunities to talk about the post office in the last six months, having sat on the Standing Committee on Consumer and Corporate Affairs and Government Operations. We are very much aware of the devastation caused to rural communities when a post office pulls out.

I want to ask the member who has just spoken so well about the need for government co-operation in maintaining post offices in rural Canada if he is aware of Rural Dignity's comments about post offices, that the post office is the heart of a community. Can he tell us whether he believes that the Government of Canada has a responsibility to maintain a federal presence and a post office in those rural communities?

Mr. Boudria: Madam Speaker, I am grateful to my colleague for his pertinent question.

Rural Dignity has done great work in being an advocate for rural Canadians and for speaking to the importance of retaining the rural post office. As my colleague from The Battlefords—Meadowlake will know, in many rural communities the only federal government presence there is Canada Post. The only time you see a flag of our country, the kind which is right beside Madam Speaker's chair, is on the post office. The only place in many communities where you see the word "Canada" is on the post office. Now we are shutting down the rural post office, eliminating that federal presence and eliminating that important community point of rendezvous. To make matters even worse, Canada Post has now developed a new corporate logo wherein it calls itself "Mail-Poste". It has removed the word "Canada" from Canada Post.

At this juncture in which it is so important for us to use all instruments of national unity that we can muster, I feel it is absolutely unacceptable for Canada Post to be behaving in that manner.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, it is indeed a privilege to speak today in support of this motion from my colleague. At the outset I would like to focus my comments on the preamble of his motion because March 21 was the one hundredth anniversary of the birth of Agnes MacPhail, the first woman

elected to this House and an untiring champion of the rights of rural Canadians.

To begin my remarks I would like to quote from *Hansard* of February 28, 1928. Although that was 1928, it says a lot about what is occurring here now in 1990. During the debate on the budget of that year Agnes MacPhail stated:

> We have, for a young and rich country, a depleted and impoverished agricultural industry. In this young country agriculture has not held its own people, nor its power of place and influence. I regret it, but it is true.

It is still true. Many of the things that Agnes MacPhail struggled for in her years in Parliament we are still struggling for now. Agnes MacPhail was in this place for almost 20 years from 1921 to 1940 and then continued in the Ontario legislature.

To win her first nomination in 1921, she had to defeat 10 men and then overcome the shock in the community that a woman had won. She then won the first of five federal elections with a campaign that cost $600, all in $1 contributions. There were no special favours from Agnes. At 31 she entered a House that was hardly ready for her. She was patronized by the Mackenzie King government which offered her a suite of offices when other MPs had only one room. Agnes took one room. It was then room 605 which became Agnes' office for her career, and it is now redesignated as room 629–C. This week my leader unveiled a plaque to be placed on the door of that room to commemorate Agnes' time there.

Agnes also met outright hostility in this House but learned to deal with it. To the heckler who taunted: "Doesn't the hon. member wish she were a man?" she replied: "No. Doesn't the hon. member wish he were?"

These quotes are very in keeping with some of the debate that goes on in this Chamber even now, Madam Speaker, and as you are well aware, women do have an uphill struggle even now in this Chamber.

My remarks on this motion speak to the legacy that Agnes MacPhail has left for us as women to carry on. In the most recent budget, there have been radical cuts to women's programs. I was the volunteer chair of a women's centre in my community when the parliamentary committee travelled to Vancouver to talk about women's programs a number of years ago.

• (1340)

At that time the women's centres from all the rural communities came to Vancouver to plead their case as to why women's programs should not be cut, particularly for the rural areas. In this last budget they have been cut and the devastation that will wreak in rural communities is enormous. These women's programs are essential, especially in the north and in the rural areas. They are often the only resource for women who are battered by their husbands and are a release or safety net for women to go to. Yet, in the latest budget, the federal government has seen fit to cut them.

Another issue that Agnes MacPhail championed during her time here in the House was the commitment to social programs, particularly a commitment to child care. As a champion of rural issues, she knew the role that women played in their rural communities and the importance of child care in supporting that task.

Women had a very hard choice then. They either had to leave their children to go to work, or they had to take their children with them to go to work. Even now in Canada, in 1990, such is the case particularly for rural women. There is no national child care scheme. It was promised in 1984 and in 1988 it was promised, and here once again we have no commitment to a national child care scheme. This hurts rural women particularly. Their options are limited. Even in urban areas the people who are paying the price are the children of Canada. Agnes MacPhail knew that.

The comments of many members in this House speak of the destruction of rural Canada. This government is overseeing that destruction. Our party caucus has met with the mayors of the Canso communities, the rural fishing communities of Atlantic Canada, and the same sort of thing is happening on the west coast from where I come. This destruction of those rural communities and the fishing villages is because there is no commitment to understanding that communities want to control their own destiny and want to keep the jobs in their own communities. The government should be giving support in its programs for that kind of initiative.

There has also been much talk about the destruction of rural Canada through Canada Post regulations and lack of commitment. I know in part of my riding on the Gulf Islands the post office had been a community resource, and now that that has been taken away. This is something that is happening increasingly in Canada with this whole centralization of jobs and the increasing

dependency on the market as the determining factor. This is something that is very negative and is well addressed within the motion.

This government should be supporting programs to provide a full range of education, health and other social policies for young families to stay in their communities. We in this House know the kind of social problems that result from the urbanization of the population with people having no resource but to move into the cities, the abandonment of those small towns and the consequent destruction of the social life.

Agnes MacPhail in her time in this House was a champion of rural Canada because she was from rural Canada but also because she had that wonderful sense of community and of knowing that if we do not feel connected to where we come from then we have lost a great deal.

There are a number of other things that we can talk about on the anniversary of Agnes MacPhail's birth, 100 years tomorrow. She was also a champion of prison reform being a founding member of the Elizabeth Fry Society, and as a consequence she was the first woman to go into the Kingston Penitentiary. In another quote from that time she said she was told there were no ladies allowed in Kingston Penitentiary. She assured the people that she was no lady, she as a member of the Parliament. That is something that we as members of Parliament who are women have to realize too. Sometimes you have to become a member of Parliament to make sure that the dignity of women is assured, but you are a member of Parliament first and a woman second. I hope that that dynamic changes as more and more women become members of Parliament.

Agnes MacPhail was a champion, realizing that as the first woman member of Parliament she became an automatic voice for the women of Canada. The women members in this House should remember that they are the voice for the women of Canada; they provide a role model for the women of Canada.

Agnes MacPhail also worked for prison reform and equal pay for work of equal value. That is something that she championed, along with her colleague, Andrew Brewin. I have the privilege of having as my neighbouring constituency member of Parliament the son of Andrew Brewin. It is a nice little coincidence that the member for Victoria is now the critic for our party for the Solicitor General and is also still working on prison reform in the Kingston Penitentiary. The history of parliamentary action in our party is something of which we are very proud.

What we in British Columbia are facing with the destruction of rural communities coincides with Agnes MacPhail's concern for women in fishing communities and women in rural Canada. With the latest devastation brought about by the trade deal and the destruction of jobs which is occurring in the fishing communities in British Columbia, Agnes MacPhail would be turning in her grave, because women's jobs, usually immigrant women's jobs, are at risk. They are the ones who are going to be losing those jobs which are moving down south of the border. This is just an additional indignity that these women have to suffer.

In closing, I just want to say in support of this motion that the government should be supporting rural Canada through the post office, through support for community development, through support for child care programs, through support for women's programs, and by providing a full range of services and skills training to support the crucial role played by women in all rural communities.

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, I know how committed my hon. friend is to women's issues. I noticed she mentioned on a couple of occasions the social problems which society is witnessing now. They are almost foreboding when you sit down and list them all and wonder if there will ever be solutions. She also spoke about the lack of commitment that we find with the current government in reference to child care services. It seems to go in cycles. I am sure that we will hear from the government again just prior to the next election.

I wonder if my hon. friend sees any correlation, as I do, between the lack of child care services and what constitutes some of our major social problems. We all know that those early years are the years in which some kind of service offered to children has a tremendous impact on their later lives. Does she see a correlation there between the lack of child care services, which are

begging, and the social deprivation and social problems which follow from that dearth of services?

Ms. Hunter: Madam Speaker, the hon. member has put it very well. Child care services are an investment in our future. If we do not have those child care services provided, women who are the primarily child care givers in our country have the terrible option of leaving their children at home in order to find the means to support them.

• (1350)

If there is not a national child care scheme, then it is our future that we are jeopardizing. We can either invest in children when they are small or in increasing the number of prisons and mental institutions, for those children who are neglected in their youth are disproportionately the ones who are in our prisons and mental institutions.

That is not overdramatizing the need for a national child care program. The ones who are being neglected are the children of Canada. I would urge the government not to wait for the next election but to act now to institute a national child care program.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I would like to compliment my colleague, the member for Saanich—Gulf Islands, for speaking so eloquently of one of our predecessors in the House, Agnes MacPhail, and the work that Agnes did over the years not only for the women throughout Canada but for citizens throughout this country who live in our smaller rural communities.

In passing, my colleague made specific mention of some of the concerns that we have about the direction that Canada Post is taking in eliminating a very needed and necessary service with the post offices in our smaller communities.

My area in the Okanagan—Shuswap has a number of these small communities. I know that the citizens in those areas are most concerned with what they see as an erosion of not only the quality of service that is given by Canada Post but an erosion of the very dynamics and the social fabric of those small communities. Those members who have smaller communities in their ridings would agree with me that the post office is very often a centre of social activity where people come to meet on a regular basis and chit-chat as they pick up their mail.

The arguments we have been hearing in those communities where the post offices have been closed is that whole nature changes when the post office service has been privatized to a retail outlet. I know in one particular area of my community up in the north Shuswap there is considerable concern now that that has been privatized. Even though the individual is doing the best job that he can in providing a retail service, it has to come secondary to what he is really there for, and that is a retail grocery outlet. For much of the service that this individual provides, there is no payment provided in the contract. Much of the work he is doing on behalf of the community, I might add, is being done without adequate remuneration.

There are a number of other smaller communities in my area such as Lumby, Armstrong and Enderby where notice has been served that retail outlets will also be established. I think it is step one in what will be a phasing out of Canada Post in those communities.

On behalf of those citizens who have spoken to me very clearly, they see it as a real erosion in the quality of life in rural Canada, and particularly in the Okanagan—Shuswap area. Those individuals want to go on record as saying that this erosion of service and the erosion of the lifestyle that they are used must be stopped. We must continue to provide the kind of service that Canada Post has provided to those communities throughout Canada. We want to see that kind of service continued.

Ms. Hunter: Madam Speaker, the comments of my colleague from Okanagan—Shuswap echo a number of other comments regarding Canada Post and the destruction of rural Canada through the government's initiatives. We stand as part of this motion in condemning that action. I know in my riding it is the same story: the ongoing rural post office privatization initiatives are really hurting the rural communities.

The destruction of rural communities is the destruction of the whole history of Canada and the way we want to live. Those people choose to live in small communities for very good reasons. When the services are withdrawn from them they sometimes have no option but to move into the bigger cities and bring with them a whole bunch of social problems. It is a negative dynamic that should be reversed by the Canadian government giving the kind of resources to Canada Post so it can support rural post offices.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, thank you for recognizing me, because I really want to ask my colleague a question. When the special committee formed by the government and chaired by our colleague, the Minister of State for Indian Affairs and Northern Development, travelled across Canada, obviously the matter of child care in rural areas came up. Among other things, rural women have very special needs for child care. At various hearings, for example, farm women told us they have to wait until the children come home from school to go to the barn. They need more flexibility and want the government to provide appropriate measures. They asked for bigger tax credits and larger child care expense deductions.

So I would like to ask the hon. member if she agrees that in the first part of the child care strategy, the government has recognized these needs, especially for farm women. For example, deductible child care expenses were increased by $4,000. We will agree that it is never enough because we would like to do more for farm women. Does the hon. member agree with the government which raised child care expense deductions so that farm women could have services, because farm women do not need public services; they need private services in the community, where children are kept by neighbours, but for that they need receipts and higher child care expense deductions. So does she agree with the government on that?

[*English*]

Ms. Hunter: Madam Speaker, I thank the hon. member for her question. That is an important initiative of the government, but it certainly falls far short of a national child care scheme. The hon. member is quite right that they need flexibility. We are not talking about large day care centres. We are talking about flexible arrangements so that women who mainly have to make the arrangements for child care have the ability to make them. However, if there are no child care spaces available, there is very little to arrange. When we are seeing the destruction of rural communities there are no neighbours for the women to leave their children with. A kind of danger that exists where children are left alone or left near farm equipment, and every year at harvest time we hear sad stories where children are injured by farm equipment.

The government should be taking an initiative for a national child care scheme, to provide the dignity of the workplace for the child care workers and the safe environment for children to be cared for.

Mr. Ross Reid (St. John's East): Madam Speaker, this is an important motion before the House this afternoon. I would like to make sure the House understands that we consider it so important that I am going to share this time slot with my colleague for Argenteuil—Papineau.

First of all I want to compliment my friend from Prince Albert on the way he has put this motion together, particularly the second clause which refers to the fishery. Quite clearly, he has captured the essence of the problem that we face in the fishery.

• (1400)

He has captured the essence of the process that we as a country must pursue to deal with the problem if we are going to come to terms not only with the economy of Atlantic Canada in particular but also with the very nature of the rural part of this country that has been there so much longer than the rest. He has said that we must assist fishing communities to survive the current crisis and we must ensure proper management of the fishery in the future.

Those are exactly the two principles that are guiding and have guided this government in dealing with this very clear and very obvious crisis that we face. We know, as I think all Canadians know, that there are less fish to be caught and less fish going to be produced. As a result there will be less people there to produce the fish.

The first thing that we must do that is tantamount to any action that we take in dealing with the fishery is to deal with the conservation question. We must make sure that we have fish there that will sustain Atlantic Canadians for as long as Atlantic Canadians want to pursue the fishery.

We must take whatever action is necessary to make sure that the fish stocks, wherever they grow, can be enhanced so that there are fish there to be taken and produced. That must be our concern.

In recognition that clearly we do not have enough knowledge to make those decisions properly all the time,

in recognition of the scientific advice particularly as it was applied to the northern cod stock in the area we know as 2J3KL, we appointed a group of eminent people, including scientists from around the world and Canadians who understood the fishery. It was headed by Dr. Les Harris, president of Memorial University. We have asked them to tell us what we must know and do to be able to make better and sounder decisions.

He tells us that the model is right. He tells us that things are not bad but obviously we must do more. We know that from his first report. His second report is coming and the government will be in a position to carry out many of his recommendations. The government will be able to talk to Canadians about what Dr. Harris and his panel will suggest that we do. Those who have a stake in the industry and depend on the fishery primarily in rural Atlantic Canada can say what must be done for the future.

There is no question that those who depend on the fishery the most are those who are telling us in the strongest terms that we must take action to protect the fishery and ensure through conservation measures that there is a cod stock in the future. We know that the effects reach far beyond the fish stock itself. Clearly, we have seen fish plants closing and trawlers tied up. In some areas of my province of Newfoundland we have seen inshore fishermen catch virtually no fish where they and their fathers and their grandfathers have fished for years without any problem.

As always, it is the people and the communities to whom we have to respond, because they are the most important. We can come to terms with the problem of the fish stocks. But we must be able to tell Canadians who depend on the fishery that we will help them.

What we did with the Harris report in Newfoundland and Labrador, we did with Jean-Eudes Hache in Nova Scotia. He looked at the capacity problem and has given us some advice on what we must do.

But how have we dealt with the people to assist them and the communities to survive? We established a cabinet committee under the chairmanship of the right hon. Secretary of State for External Affairs to bring together all the resources of the government to determine what we must do as a government and as a country to deal with these problems and what we must have in place for people.

We have approached this in two ways. In the short term, we immediately ensured that a $130 million package was available to those people in those communities that needed it most. Of course, there is unemployment insurance. Community Futures and the Industrial Adjustment Strategy are the two most important components not only of what we need to do to survive but also in terms of what this resolution is demanding of the government. Quite clearly, we are well on the way to achieving what is stated in the resolution.

The IAS is implemented the minute the plant is closed, and is complemented by Community Futures and a number of other programs. The essence of these programs is to respond as a government to the people who know their community and its resources in a way that will provide alternatives, that will create new economic opportunities, that will create different job opportunities, that will give a future perhaps in a whole different industry, perhaps in the same industry but in a different way, to the people of the community, particularly the young people.

We recognize that there are other requirements. We have a special problem in dealing with older workers who have less mobility opportunities and less training opportunities. We have said we are going to enter into a program to help older workers, and that is being undertaken with the provinces. The mobility and the training functions are there. They are important as components to an over-all package as we assist communities to survive the current crisis in the fishery.

Very clearly, we are saying to the people of Atlantic Canada that we will bring together the resources that we have in the federal government, which is about $130 million. As well, the cabinet committee, particularly as a result of a lot of the work that Ken Stein's committee has done, is looking at other ways to help people deal with their future inside the fishery and outside the fishery. We must be able to provide people with new resources as we consider underutilized species, new markets and new technologies. These are matters on which, particularly with the new Minister of Fisheries and Oceans, a great deal of work has been done to ensure that a package is in place and is ready.

About two hours after the new Minister of Fisheries and Oceans was sworn in he said to me that the first thing he wanted to do was consult with the people who could best tell him as the minister what the real problems were and what the real solutions were. Less than 48 hours later, the new Minister of Fisheries and Oceans left for Shippagan in northern New Brunswick to meet the premiers of the four Atlantic provinces, into Prince Edward Island, down to Gaultois, meeting with the workers and the people of Trepassey and Grand Bank and the people of St. John's who have been affected by the close down, as well as the small producers and the unions. Off we went the next day to Lockeport and Canso, in less than 24 hours. That is the sign of a government that is concerned first and foremost about how to assist communities survive this crisis. We recognize there is a crisis and we recognize that action has to be taken.

I congratulate my friend across the way for endorsing the actions that the government has taken to deal with the problems of rural Canada, particularly in the part of the country that means so much to me, frankly, if I can be a little parochial. I am delighted that he has endorsed the two fundamental tenets here; that we have proper management which ensures conservation, and that we assist communities to survive this crisis. That is exactly what we have been doing. That is what we are doing now and that is what we will do in the future.

• (1410)

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, this government has been in power now for five years. If I were going to be cynical about this, I would suggest that if we leave the problem long enough those rural communities are going to disappear and the government will not have to deal with them. That is one way of solving the problem. Just make sure you do not do anything for five or six years and eventually there will be no rural communities and you have no problem.

I say this out of a certain amount of experience. In 1985 the government, both in agriculture and in the fisheries, indicated it was going to put in place a program which would kick in automatically to help these communities survive. It was supposed to help the farmers, fishermen and foresters survive so that they would have in place an insurance structure, if you wish, which would kick in. That was back in 1985. They were still talking about it in the 1988 election.

The government claims proudly that is acted within 48 hours after the crisis. This motion suggests that we need to put in place a program which is ready to be implemented when the crisis starts. That is the basis under which the planning should have been done. Six years later is too late.

The Minister of Agriculture took a similar approach to the problem as the hon. member. Why does the government not put more of a human face on its decisions on the economy? Why does it not make sure, first of all, that these communities survive before doing a study which is going to find out whether the fish are going to survive, or in the case of agriculture, whether it is going to be worth while to grow more of a particular type of grain? Why does this government not put a more human face on the problems out there?

Mr. Reid: Madam Speaker, the 25 or 30 or 50 farmers in my riding are probably very unhappy with me because I have never spoken on agriculture. I have never spoken on agriculture for one very good reason. I do not know a hill of beans about agriculture, but I do know a couple of things about the fishery.

We talk about waiting five years to deal with the problem. From 1986 to 1988, we had the best three years in the fishery that we ever had in this country. The total allowable catch for northern cod was recommended at 295,000 tons two years ago, and we chose in the interest of conservation to set it at 265,000 tons. The problem we faced is that all of a sudden we were told that instead of being 265,000, when they wanted it at 295,000, it should be set at 125,000 tons. As a result we have a problem. That is where the problem is.

I think there is an understanding that provinces have allowed, for instance, virtually doubling the expansion of capacity to respond to rural situations in Canada. We have seen far too many people go into the fishery as an employment option of last resort.

Fishermen are the only self-employed people in this country who can qualify for unemployment insurance. Community Futures which spreads right across Newfoundland is designed specifically to deal with rural problems like this on a regional basis. It has been hugely successful. We are trying to ensure that young Newfoundlanders and Labradorians can get from school to a workplace in a sensible and organized fashion. We are

spending $56 million to find out why it does not happen. For the last four years we have had emergency response.

We have had an emergency response which has kicked in every year. We did not have to find the money because we budgeted for it. We knew these problems were going to happen. We had been there ready to deal with them.

Let me say one thing, Madam Speaker. The future of the rural communities in Atlantic Canada is fish and if we want to keep a human face on the coastlines of Newfoundland and Labrador we better have fish looking up at those faces, and as a result we must take fish decisions to protect those people and ensure that they have the future that they so badly want.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, as you know, it is always stimulating to rise in the House after an eloquent speech like the one we just heard by our colleague from Newfoundland. In fact, whenever people from this province speak in the House, I don't know what it is but they have a way with them that is probably typical of Eastern Canada.

An hon. member: It's the electricity!

Mrs. Bourgault: The electricity! Again, Madam Speaker, I welcome this opportunity to speak in the House today, first of all, to pay tribute to the first woman elected to the House of Commons, Agnes MacPhail. Mrs. MacPhail started her career as a teacher in a country school, and she did not forget her rural roots when she came to Parliament in 1921. She went into politics to represent the farmers in her riding, but it was not long before she expanded her activities to include an interest in women's issues. She was energetic in her defence of women's civil rights. Subsequently, as a member of the Ontario Legislature, she helped bring about the first wage parity legislation in Ontario, passed in 1951.

Many of these and other issues have made enormous progress since Agnes MacPhail sat in the House of Commons. I think she would be proud, Madam Speaker, of the number of women sitting in Parliament today and to see you sitting in the Speaker's chair, as she would be proud of the many Canadian women in positions of power and responsibility in all areas of our society.

I believe Agnes MacPhail would be especially happy to see the tremendous progress made by farm women in promoting their legal, social and economic rights.

With their spouses, these women now operate the vast majority, fact 99 per cent, of Canadian farms. Since 1975, the number of women operating farms independently almost tripled in Canada, increasing from 13,000 to 35,000. Furthermore, 23,000 women are sole owners of their farms in this country.

Officially, women represent 30 per cent of Canada's labour force in the agricultural industry, but this of course does not includes the thousands of Canadian women who combine work on the farm with another job to help support their families.

Women shoulder their share of financing, production and administration on Canada's family farm operations. In other words, they do their share of the work. In 1987, the National Farm Women's Conference found that in this country, women carried out 49 per cent of the farm chores and 97 per cent of the home making chores. We should not overlook that these same women are often involved in a career away from the farm. These women have guts.

In 1986, the Census of agriculture revealed that in this country, one third of all women farmers have a university or college education and currently use their special training and knowledge in the management of the farm or in the profession they are engaged in away from the farm. Madam Speaker, a great many of them use them in both.

Today, the Federal Government is more aware than ever of the enormous contribution women make to agriculture in this country. We know their contribution as farm managers, homemakers and family providers. We support women in their efforts to ensure a certain quality of life in the farm community and I know that it is not always easy.

One of the major areas in which our Government is striving to help women farmers is through the development of strategies with a view to harmonizing professional and family responsibilities.

• (1420)

The Government's policies in this area should clearly recognize the unique character of the work and family obligations which is particular to family farms. They should take it into account.

During the First Ministers' Conference which was held last November, the Federal, Provincial and Territorial ministers responsible for the status of women tabled a report describing the strategies which each government intends to implement in an effort to promote the integration of professional and family responsibilities.

Our purpose is to support women and men in their work environment, while helping them to assume their responsibilities as parents and as breadwinners.

At that First Ministers' Conference the Canadian ministers responsible for the status of women tabled various reports describing some of the major government projects undertaken in recent years to ensure that, in education and training, women throughout Canada would be considered equal and have access to all facilities.

Not unlike Canadians in other economic sectors, women involved in farming know that training is essential if they are to keep up with the ever increasing pace of technological changes. These women never miss an opportunity to express their views on this issue.

After all, it was back in 1985 at the second national conference of women in agriculture that for the first time somebody suggested that women ought to have readier access to training.

At the present time, representatives of the Canadian Council of Education for Women Farmers and Employment and Immigration Canada officials are working together to develop strategies designed to encourage more women farmers to enrol in training programs.

I think the government, women farmers and their organizations must contuinue to communicate and exchange views on issues such as training, working conditions and family life.

Mr. Speaker, women farmers in my riding are very well organized and I meet with them on a regular basis. Not so long ago the issue of child care in rural areas came up. As I pointed out in a question to an NDP colleague, women farmers have special needs concerning child care, and they want the government to show some flexibility in the implementation of national programs so that they will be able to have someone to look after their children when it becomes necessary. Farm women have to go to the barn when the children come home from school. They often live in outlying areas and their particular needs cannot be compared with those of city women. It is therefore imperative that the government take their needs into account in its national child care strategy. We have listened carefully to what these women told us during hearings of the Special Committee on Child Care. The government has responded, in the first phase of its national child care strategy, by, among other things, doubling the amount of eligible expenses to $4,000 and by increasing the child tax credit by $200 per child for youngsters.

Mr. Speaker, I can assure the farmers of my constituency of Argenteuil—Papineau, a very agricultural and prosperous riding, that I am following with interest the development of agriculture and that I do not hesitate to defend their interests whenever the opportunity arises and that I will continue to do so as long as I am sitting in this House.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, given the time of day, I would like to address two issues in the last minutes of this very interesting debate on rural life in Canada.

In particular, I would like to deal with issues which concern western Canadians. One issue deals with the role of the western diversification fund in our economy. We heard earlier today an eloquent defence of government activities by the Minister of Agriculture, and he spoke in some detail about what the government says it is doing to help western farmers.

The reality is that the western Canadian economy needs much more than this government can provide and the fact that it is cash-short is as much a result of the government's own strategy and its own programming as it is with anything else. The fact that the government is not able to contribute sufficiently to the western economy is a product of the government's own reasoning and its own lack of imagination in helping westerners.

In particular, one of the most controversial aspects of its program has been the western diversification fund. Since its inception, the Progressive Conservative government has long trumpeted the Department of Western Economic Diversification as the answer to western Canada's economic woes. The program was announced previous to the 1988 general election with a great deal of fanfare. It would consolidate two programs; the western diversification fund which was announced in August 1987, and the ERDA program which was started by the Liberals earlier in the 1980s.

The total value of these programs was to exceed $2.8 billion. At that time, the Prime Minister stated that the ERDA program would remain intact and the western diversification fund would be created out of new money. There was a great deal of promise from 1987 through 1988, coincidentally just before the election, as to what the government would do to help out western Canadians. The reality is that the western diversification programming has failed to live up to its promises. Instead of pumping much needed capital into western Canada, it continued to fall short of its publicly stated goals.

For example, in the eight months before the 1988 election western diversification approved over $400 million in projects. In the fiscal year following the election, the government forecast that it would only spend $136.8 million to fulfil these commitments. Last year, the minister responsible for western diversification assured us that everything was on track and that $253 million would be spent. Today, we find that he is only able to fulfil 54 per cent of his commitment.

In Part III of the estimates for the fiscal year we find that he has promised another $252 million. What will be in the budget next year?

Because these statistics are so important, I want to read them into the record as the Minister of Agriculture was so fond of doing during his presentation, so that the Canadian people begin to appreciate what the government has been doing in each year.

In 1987–88, it estimated that it would spend $98.87 million. It actually spent $47.057 million, or 47 per cent of what it estimated. The importance of this is to understand the accumulation of the lack of funds actually being put in western Canada as a result of the decisions being made by the federal government.

The next year, 1988–89, the election year, the government promised $293,427,000. After the election it spent $75,300,000, or 25 per cent of the estimated amount. In 1989–90, the minister said in the House: "This year, I am going to spend $252,999,000." We find out now he spent $136 million, or 54 per cent of his target.

This year he says he is going to spend $251 million and we do not know when he is going to do it. The point is that the accumulated estimated amount is about $850 million. The real figure is about $250 million.

We find that the government is shortchanging western Canada. It then has the nerve to turn around and parade all these statistics about how it is helping the farmer. It is failing to help the farmer. It is failing to help diversify the economy in western Canada, and the two ministers responsible for that are the Minister of Agriculture and the Minister for Western Diversification.

I would also like to address very briefly a second issue that is hitting home in western Canada, and that is the changes in the postal rates. The Union of Manitoba Municipalities has kindly brought it to the attention of the government and to members of the opposition that the hike in postal fees is going to have a serious negative effect on daily newspapers.

In Manitoba, for example, *The Brandon Sun* has been adversely affected by this increase. That paper will have to increase its fees for subscribers who receive their paper via Canada Post from $114 to $220. The paper is trying to make alternative arrangements for trucking the papers to drop-off points. There will be a certain number which must be mailed out of province, for example.

The circulation manager points out that Canada Post only gave him two days' notice for this change. This is a blow against newspapers, an important communication link for rural areas and it comes at a very bad time. It seemed like another blow against rural areas by Canada Post.

• (1430)

We have heard a lot of discussion in the House in the last few months about the decline in the quality of life in western Canada. There are two components of that, I think. One is a diversification of the economy and the

second is a communications strategy involving Canada Post.

Without the ability to communicate, without the ability to finance interesting projects, western Canada is doomed for a bleak future. I think that that can be directly attributed to the lack of understanding of this government which is a great irony because it spent years in opposition saying that it was the only party that understood western Canada. Yet, when given the opportunity to govern fairly for western Canadians, it has failed miserably.

The only route left for western Canadians to regain their future is to defeat this government and to put in others who understand them, namely, this party.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my Liberal colleague from Winnipeg North Centre brings forth some very interesting arguments regarding the problems with western diversification funding and other regional development funding programs for western Canada. His point is well taken that the funding that was supposed to have been funnelled through such kinds of regional development programs has in fact fallen drastically short of its mark.

Both the western diversification program and the ERDA programs were developed in order to funnel economic development priorities into provinces in the west. For example, we now see in British Columbia, at the end of this month, only a matter of a few days away, the cancellation of a $300 million five-year Forestry Resource Development Agreement that has gone on since 1985. That agreement is now to be terminated with no guarantees that there will be any other funding. The only hint of funding that we see at this point is about $30 million to $40 million to be funnelled in for forestry through western diversification.

We have seen a significant cut in the federal commitment to reforestation initiatives in British Columbia. There is no question that with that reduction in funding for forestry in British Columbia alone, as well as the many other provinces where those agreements are now coming to a close or have already been terminated, we see a significant loss of jobs in the forestry industry in the silviculture programs and replanting. An entire industry infrastructure has been built up around the FRDA agreements. Now that infrastructure will begin to fall apart with the government essentially knee-capping the funds that are required for forestry development.

In one of the other economic sectors, the Tourism Industry Development Subsidiary Agreements are now also being terminated. The word we get from the Minister of State for Tourism is that those will not be renewed. We are seeing a retraction of the government's commitment to regional development through the knee-capping of funding in these programs.

I certainly concur with my colleague from the Winnipeg area that these programs are conceptually of great value. Yet, politically speaking, there simply has not been the kind of political or economic initiative supplied to these programs by this government to really make them work.

Mr. Walker: Mr. Speaker, I would like to thank the member from British Columbia for reminding me about the forestry industry which I should have addressed more directly in my comments. It is impossible to understand the failure to renew an adequate agreement in forestry. Those who know the industry will know that it is the biggest employer in Canada when you include direct and indirect employment figures. It is the economic backbone of British Columbia. Alberta, Saskatchewan and Manitoba are all trying to develop more aggressive forestry programs. At the very moment that the west is finding a way to broaden its economic base, the federal government walks out on it. That is totally indefensible and totally incomprehensible.

The list of ERDA agreements that are valuable to the west is endless. It would be easier for the government to tell us what it is continuing than for me to list what it is discontinuing.

The fact that the communications agreement is ending in Manitoba in 10 days and putting the motion picture industry there in total disarray is another example of the callousness of this government.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, to conclude the debate before us today, I would like to spend the remaining few minutes speaking about the other major initiative in this motion, and that is the fishery.

There is a crisis in the fishing industry, there are communities closing down, and there is a call by members of Parliament to put money into these communities to help them readjust. I contend that perhaps the greatest crisis facing the industry in eastern Canada is the crisis of having a government that is afraid to stop the cause of the problem in the fishery today.

I would like to refer to the facts concerning the fishery. We have, all along the coast of Canada, a 200-mile zone. It is 200 nautical miles, really, that is about 240 or 250 land miles. Within that zone Canada manages our fishing resource and has since 1977 when we declared the 200-mile zone like every other country in the world.

Let us look at the allocations for this year, at who is allowed to catch the fish inside of our 200-mile zone. Under the NAFO agreements, that is an international organization which manages fish stocks that come within the 200-mile zone and outside the 200-mile zone, the allocations are 310,500 metric tons to countries like Bulgaria, Cuba, the EEC, East Germany, Japan, Norway, Poland, U.S.S.R., and others. Then we have Canada's managed fish stocks. Under that we see that the total foreign allocations are 182,962 for 1990. Add both of them up and you get a figure of 493,462 metric tons.

What is the Canadian allocation? The Canadian allocation is, and I quote from the same document, 612,265 metric tons. So Canada is able to fish 600,000 metric tons, foreign nations are able to fish 500,000 metric tons, and the seals eating about two million metric tons. So between the foreigners and the seals we have a problem in the fishery in eastern Canada.

Here we are wondering what to do about the communities that are closing. Today MPs in their offices are taking calls from around the coastline. A gentleman called my office this morning from another person's riding and said: "Look, I cannot fish capelin this year. I am not allowed". He is not allowed to fish capelin this year because of a restricted entry regulation which was passed last year which said that you must be the skipper of a crew of at least three people and your boat has to be a certain size. These gentlemen, who have been full-time fishermen all their lives, are not allowed to fish capelin this year.

Yet we see increases in capelin allocations to Cuba, increases to Japan, increases to Norway, increases to Poland, increases to the U.S.S.R., and restrictions on Canadians.

What is the problem in the east coast fishery today? Ask a fisherman, Mr. Speaker, and he will say: "We don't want money from the Government of Canada, we want the right to be able to fish".

• (1440)

In regard to all of this that is going on, I will read something into the record. For all of the fishermen of eastern Canada, here it is. Listen now, because you are going to hear it straight from the Government of Canada, the Government of the Soviet Union and all of those foreign nations. This is a letter to the Canadian government dated just four weeks ago.

Mr. Reid: Table it.

Mr. Baker: I will table it, indeed I will. Just listen to this. I quote the Soviet side:

> —taking into account the desire of both sides to preserve stability, considers that the total U.S.S.R. allocations for 1990 in the Canadian zone should not be less than the allocation for 1989.

"To preserve stability". What does that threat mean from the Soviet Union? Not only from them, but from Cuba, Poland, Norway, East Germany, Bulgaria. What do they mean?

Then we get the response. This was written four weeks ago to the Government of Canada. The answer sent back from the Government of Canada says, pursuant to our agreement on mutual fisheries relations, the following initial quotas are given.

And then we see it: cod, redfish, Greenland halibut, grenadier, silver hake, Argentine, squid. Here they are, all in the allocations. Both sides agree.

The letter continues:

> The Canadian side confirms its intention to cooperate further with the Soviet side.

So there it is. While Canadian fishermen cannot fish, while Canadian fishermen are being cut back, foreign nations write to this government and say in order to "preserve stability". What are they going to do; invade us? In order to preserve stability we want the same quotas we had last year, while Canadians have been cut back, while our fish plants are closing, while our fisher-

men cannot fish what they fished last year and the year before.

Here we have it. I am tabling it so all of these Tories can read it so they will know what is going on behind the scenes. Or perhaps they do know what is going on behind the scenes.

As if that was not enough, in this letter it says, and I quote again this letter that I would like the government members to read. It states here:

> The Soviet side undertakes to finalize an exchange with the Canadian side—(involving) 2+3K capelin—

Now that may not mean very much to some people sitting in their fancy offices, but if you were to tell a fisherman that you are about to negotiate again with the Soviet Union, Cuba, East Germany and Bulgaria to give them more capelin, which is what codfish eat—

Mr. Reid: Male capelin.

Mr. Baker: The hon. gentleman says "male capelin". A codfish does not ask whether it is male or female. He will eat it no matter what it is.

Here we are today in the concluding moments of debate on a resolution asking the Government of Canada to properly manage the fisheries of our nation. We are asking for money. And here is the Canadian Government giving just as much to the foreigners as it gives to Canadians. It is afraid to take the initial steps to guarantee our fishermen their same quotas.

The Department of External Affairs runs the Department of Fisheries in this nation. The fishermen of Canada are saying to the Government of Canada: "All we want is the chance to fish. We do not want to be retrained with these great agreements that the Government of Canada is about to announce. We want to fish. That is what we have done all of our lives. You are today preventing us from fishing. You are today assigning to foreign nations exactly the same fish that we want."

The Acting Speaker (Mrs. Champagne): It being 2.45 o'clock p.m. it is my duty to interrupt the proceedings and put every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 81(14).

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 207*)

YEAS

Members

Allmand
Barrett
Boudria
Caccia
Finestone
Gaffney
Harb
Hopkins
Jordan
Kristiansen
MacAulay
Manley
Nault
Samson
Taylor

Angus
Benjamin
Brewin
Callbeck
Fulton
Gray (Windsor West)
Harvey (Edmonton East)
Hovdebo
Karpoff
Lee
MacWilliam
Milliken
Parker
Stupich
Vanclief—30

NAYS

Members

Anderson
Attewell
Bernier
Bird
Blais
Bourgault
Browes
Casey
Champagne (Champlain)
Clark (Yellowhead)
Cooper
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Dorin
Fee
Fontaine
Friesen
Greene
Halliday
Hawkes
Hockin
Horner
Hudon
Jacques

Andre
Beatty
Bertrand
Bjornson
Bosley
Boyer
Cardiff
Chadwick
Chartrand
Cole
Corbeil
Couture
Danis
de Cotret
Desjardins
Domm
Edwards
Ferland
Fretz
Gérin
Guilbault
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
James

Jelinek	Johnson	Vincent	Weiner
Jourdenais	Kilgour (Edmonton Southeast)	White	Wilbee
Koury	Langlois	Winegard—115	
Larrivée	Layton		
Leblanc (Longueuil)	Lewis		
Loiselle	Lopez		
MacKay	Malone		
Martin (Lincoln)	Mazankowski		
McDermid	Monteith		
Moore	Nicholson		
Nowlan	Oberle		
O'Kurley	Paproski		
Plamondon	Plourde		
Pronovost	Redway		
Reid	Reimer		
Ricard	Richardson		
Robitaille	Roy-Arcelin		
Saint-Julien	Scott (Victoria—Haliburton)		
Scott (Hamilton—Wentworth)	Shields		
Siddon	Sobeski		
Soetens	Sparrow		
Tardif	Tétreault		
Thacker	Thompson		
Thorkelson	Tremblay (Rosemont)		
Tremblay (Québec-Est)	Tremblay (Lotbinière)		
Turner (Halton—Peel)	Valcourt		
Van de Walle	Venne		
Vézina	Vien		

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

A point of order, the hon. member for Calgary West.

Mr. Hawkes: Madam Speaker, Mr. Merrithew voted and had to leave the Chamber in the middle of the vote. I think it would be in keeping with our records if we have his name removed from the roll call before the count is announced.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 3.10 p.m., this House stands adjourned until Monday next at 1 p.m., pursuant to Standing Order 24(1).

The House adjourned at 3.10 p.m.

HOUSE OF COMMONS

Monday, March 26, 1990

The House met at 1 p.m.

Prayers

GOVERNMENT ORDERS

[*English*]

The Acting Speaker (Mrs. Champagne): Before putting the motion in the name of the Hon. Leader of the Opposition, since today is the final allotted day for the supply period ending March 26, 1990, the House will go through the usual procedure to consider and dispose of supply bills.

In view of recent practices, do hon. members agree that the bills be distributed now?

Some hon. members: Agreed.

* * *

POINT OF ORDER

ALLOTTED DAYS

Mr. Jim Hawkes (Calgary West): Madam Speaker, I am sorry to interrupt my honourable colleague, as I am looking forward to his remarks.

The Speaker will know, and the House will know, Madam Speaker, that last Friday at three o'clock in this Chamber a confidence vote took place. It was called for by the New Democratic Party. Members will also know that only 14 members of that party were present.

In normal circumstances Friday votes, and especially confidence votes, would be deferred until Monday. We are facing confidence votes today at seven o'clock. It would have been for the convenience of members of all parties and everyone in this chamber.

There were additional costs incurred for members of all parties but certainly the government party and I suspect the Official Opposition where members came back. They spent money on airline tickets, helping the bottom line for Air Canada and Canadian Airlines International perhaps and taxi firms, but at some cost in a direct sense to the taxpayers of this country. There would be some additional cost in the withdrawal of services of members who spent many hours returning from Vancouver and elsewhere. They cannot be in touch with their constituents. They cannot be doing the kind of work that they planned on doing and would like to do.

Because of the useless nature of the demonstration of that exercise and its lack of utility, its cost and lack of purpose, I wonder, Madam Speaker, if you might get unanimous consent in the spirit of hard work which generally characterizes this place, before we begin our work, to simply eliminate Standing Order 81(12)(b) which puts all of us under the gun for any opposition day on a Friday from now until doomsday when, in fact, the New Democratic Party has told this Chamber that through their desire to be obstructive rather than constructive, that they are going to hassle members on a Friday into the foreseeable future.

I wonder if you could put that question to the whole Chamber. I would seek unanimous consent for the elimination of Standing Order 81(12)(b).

Some hon. members: No.

Mr. Hawkes: If members are shouting "no", I would like to hear their reason, why they think it is sane to waste taxpayers' money, to waste the time of members of this Chamber, to be present on a Friday, when those who caused that activity to occur have no intention of showing up.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the government will go to no ends to try to prevent a good, solid debate from occurring on research and development. Knowing my friend from Calgary, I know that he would not be one of those who would want to waste the time of the House.

If the hon. member wants to give notice to the House that the government is proposing an amendment to the Standing Order 81(12)(b), we will take that under advisement. Right now we cannot give an answer to that because we have an important debate today concerning

research and development and we would like to proceed with that as soon as possible.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, in view of the important debate that the Liberals have before us today and because we would like to have the opportunity to see just what the government Whip is planning to put forward, we too would like to see the House move forward with the opposition motion.

The Acting Speaker (Mrs. Champagne): Obviously, the hon. member does not have unanimous consent to move his motion at this time.

* * *

SUPPLY

ALLOTTED DAY, S. O. 82—RESEARCH AND DEVELOPMENT

Hon. Herb Gray (Leader of the Opposition) moved:

> That this House recognize that research and development, and the resulting innovation, are the lifeblood of a successful economy and country and that Canada must increase its level of research and development in order to ensure economic growth in an increasingly competitive and technologically literate global community.

• (1310)

He said: Madam Speaker, the words of the motion we have put before the House today with regard to the level of commitment by the government to research and development in the country have been chosen very carefully.

The objective of our motion is to elicit support from members on all sides of the House to enlarge Canada's commitment to the goal of increasing, rather than decreasing, the level of research and development carried out in the country.

[*Translation*]

Madam Speaker, the House will note that the motion has taken some terms from the Prime Minister's vocabulary. Liberal Members agree with the goal the Prime Minister set himself before he became Prime Minister, and that was to increase substantially the budget for research and development. The reason why we present this motion is that the goal set by the Prime Minister did not materialize.

[*English*]

Before he became Prime Minister, the right hon. member made several very positive commitments. In 1983 he said with regard to research and development, and I quote:

> Either we go into the game and become important players in this major league or we become a nation that will, during our entire lifetime, play in the Junior B circuit.

In 1984 the Prime Minister said the following:

> We have to double our research and development commitment and triple our resolve to reach it.

In the same year he said:

> The production, application, and diffusion of modern technology is not going to help us if Canadians are not trained and educated in its use.

Also in 1984 he said, and I quote again:

> We are going to double our collective national commitment to research and development within the life of our first government mandate.

What has happened since those commitments were made? Did we double our spending on research and development?

Some hon. members: No.

Mr. Gray (Windsor West): No, we did not. In 1983 Canada spent 1.35 per cent of its Gross Domestic Product on research and development. In 1988 that figure was 1.32 per cent. In other words, far from double. In fact, it was slightly less when expressed as a percentage of Gross Domestic Product, a percentage of our economy.

Have we moved up in comparison to our major competitors? No, we have not. Japan, the United States, West Germany and France are at roughly double in spending on research and development as a per cent of Gross Domestic Product. To use the Prime Minister's term, we are in the Junior B league when it comes to research and development, despite his commitment that his government would put us in the major leagues before his first mandate expired.

Another commitment made by the Prime Minister was, and I quote:

> We are going to close that gap by making biotechnology and genetic research a top priority.

Did we close the gap on biotechnology and genetic research?

Some hon. members: No.

Mr. Gray (Windsor West): No, the government and the Prime Minister did not close the gap on research. They closed the research laboratories.

[*Translation*]

After claiming loudly how important research and development was and after some eloquent campaign speeches on the subject, the day after the government was sworn in it aimed its guns at the National Research Council. In November 1984, the Conservative government slashed 60 million from the NRC's budget. Some of the sections and projects that were eliminated were the energy section, the Environment Secretariat, the Manufacturing Technology Institute, the Institute for Electrochemistry and the cold Regions Research Institute. It also fired 80 scientists and officers. This was only the beginning, however.

[*English*]

In 1986 it cut another $29 million from the National Research Council budget, closing down electromagnetic and mechanical engineering programs, closing down environmental toxicology programs, closing down aeronautics construction and physics programs, announcing the elimination of another 200 NRC jobs and shutting down the photochemistry and kinetics section. This was the section of the National Research Council where Canada's Nobel prize winning scientist, Dr. John Polanyi, began his research career.

It is no small wonder that when Dr. Polanyi was asked after learning of this shutdown what advice he would give to young scientists in Canada, he replied: "I think I would go to the United States."

My predecessor, the right hon. member for Vancouver Quadra, at the time Dr. Polanyi said this, asked the Prime Minister if he could "conceive of a more damning indictment of his governmental policy than to have one of the leading scientists of our country recommend to the young people of Canada who are interested in scientific research that their only recourse is to go south of the border to the United States". That is what the hon. member for Vancouver Quadra asked at the time and at that time, in 1986, the Prime Minister had no answer.

In the latest budget his government continued to reduce its commitment to research and development with a further cut of $39 million from its research and technology programs.

Now that situation is becoming even more critical because while the Canadian government is firing scientists and reducing budgets for research and development, the United States government is doing exactly the opposite. President Bush of the United States has just announced a 14.4 per cent increase in the budget of the National Science Foundation, their equivalent to our National Research Council.

[*Translation*]

Meanwhile, Madam Speaker, the President of the National Research Council has announced that because of budgetary constraints, the NRC will have to reduce research on High Energy Physics; eliminate the Prairie research station, in Saskatchewan; do away with the avalanche research centre in British Columbia; lease out the Algonquin Park Radio Observatory; eventually close down the wind tunnel at Uplands; and possibly move the Herzberg Institute of Astrophysics.

[*English*]

Madam Speaker, I do not think it could be argued that these are the actions of a government committed to tripling its resolve to double research and development output. Far from it!

What about the need to educate and train more young Canadians to take up the challenge of scientific research? Since 1984 the government opposite has moved deliberately to reduce its commitment to the funding of education in this country. In its last budget the government slashed another $2.1 billion in post-secondary education transfer payments to the provinces.

How is that going to help fill our research laboratories with bright young scientists, scientists who will carry out the innovative research which is necessary to make Canada competitive? It will not do that at all. We already have a shortage of individuals with the necessary skills, and the government's attitude toward spending on education is short-sighted, to say the least. It is more than short-sighted, it is dangerous for the future of this country.

In one of the most research and development intensive sectors in our economy, the high technology sector in Canada is lagging behind. According to an innovation consultant in that sector, the federal government "does not know how to spell high technology, let alone develop policies to encourage it". The president of the Canadian Advanced Technology Association, Mr. Roy Woodbridge, has stated that the problem is becoming more and more critical and that:

> There is a growing sense that the window of opportunity for Canada to become a substantive player in research and development is closing. There is a growing malaise within the technology community in this country.

Mr. Woodbridge went on to say that unique among industrialized nations Canada now has a negative balance and a growing trade deficit in every single sector of the advanced technology industry.

• (1320)

Members should also consider the fact that this country, which invented the telephone, which has led the world in telecommunications technology, which in fact devotes nearly 40 per cent of all its R and D to telecommunications, and which for years has had a healthy trade surplus in telecommunications equipment, last year for the first time imported more telecommunications equipment than it exported.

Combine that with the impact of the trade deal signed by this government with the United States, a trade deal which will encourage more and more takeovers of Canadian business and the transfer of research and development to head offices outside Canada.

What is also happening is that the government is just standing by and letting our high tech sector become more and more of a branch plant economy. Yet, as the government House leader said a year ago when he was Minister of Consumer and Corporate Affairs: "Branch plants just don't do research".

However the trade deal and this government's *laissez–faire* attitude to foreign takeovers are only two of the many impediments this government has thrown in the way of increasing our ability to perform the levels of research and development necessary for economic growth and prosperity.

The imposition of the new goods and services tax will also have a negative impact. The government has imposed this new tax on all books—essential tools of knowledge and education. Equally important, the new tax will also be applied to university expenditures. This means that even though rebates are to be given of this goods and services tax, and these rebates are supposed to leave them no worse off than under the old manufacturers' sales tax, this has not yet been proven. It is not yet clear that universities will be in the same position as they were and as they are under the present tax regime. Many fear, and I think for good reason, that universities will be worse off.

Furthermore, there will be a heavier administrative burden for universities in applying for these rebates. This means that less money will actually be available for research and development because a portion of it will have to be used for the extra administrative burden imposed on our universities as a result of the government's proposed goods and services tax.

Also, our research granting bodies are facing the possibility that the government will cancel the university–industry matching grants programs under which the councils' budgets were increased by $1 for every $1 contributed by industry to university research. This single change in policy could mean a reduction of 20 per cent of the entire operating budget of the Natural Sciences and Engineering Research Council, a cut of 26 per cent of the operating budget of the Medical Research Council, and a $13.1 million cut in the Social Sciences and Humanities Research Council.

I am sure members will agree that such a change in policy would not help encourage more research and development. It would do exactly the opposite.

The decisions we make on research and development today will have an enormous impact on our economy tomorrow.

We in Canada cannot rely on our present resource based economy alone to provide the level of growth and development we need to be a leading industrial power into the next century.

If we look around the world at other industrialized countries, it is not difficult to understand why they have greatly increased their competitive position compared to Canada. Two good examples are West Germany and Japan in which governments have taken a leadership role, in partnership with industry and educational institutions, in devoting money and resources for research and development.

If we compare our efforts to seven other leading industrialized countries, using ten different tests for R and D performance, we find that Canada ranks lowest on five of those tests, second lowest on three, and is about average on the remaining two. That is not a very good record.

These comparisons show that in the Prime Minister's own words we are still very much at the junior *b* level despite all the claims by the Prime Minister and the government to the contrary.

All of us in this place know or should know that research and development are crucial not only to our economic well-being but also to the development of solutions to some of our most pressing environmental problems. Canada and indeed the world are in desperate need of new technologies to combat the despoiling of our planet. Governments should be looking for ways to stimulate and encourage the development of these new technologies, not retreating in the face of a global challenge.

I believe we must reverse this disturbing trend. I believe if members on all sides of this House offer their support for the motion we have put forward, we will have accomplished a very positive step in that direction.

We have to do what all students in this country know is necessary in order to graduate and move ahead. We have again to start doing our homework. We have again to start putting our efforts into producing more and better technologies which will put us in the forefront of global development, and not allow ourselves to become a technological backwater.

That is why we are urging every member of this House to support this motion. After all, it includes the Prime Minister's own words as he said and as our motion says:

> Research and Development and the resulting innovation are the life blood of a successful economy and country.

That is why I say in concluding my remarks and opening the debate on this motion: let us join together in support of it. Let us help Canada succeed. Let us help Canada graduate and move ahead to become a more innovative and competitive economy. We need this for ourselves. We need this for our children. We need this for the future of our country.

Some hon. members: Hear, hear!

Mr. Milliken: Madam Speaker, I rise on a point of order. We are discussing today the Business of Supply, the principal financial business of the Government of Canada. The government is responsible to this House of Commons. It has an obligation to maintain the confidence of this House. It is introducing two bills later today, based on the debate in part that will take place today.

I find it frankly appalling, a complete indication of Tory arrogance, and an abuse of the practices of this House that during the speech of the Leader of the Opposition at the opening of this debate there was not a single member of the cabinet present in this House. There are 39 members of cabinet who sit in this House and one of them walked in one minute before the end of that speech. I object vigorously to this disgraceful contempt of Parliament.

• (1330)

The Acting Speaker (Mrs. Champagne): The hon. member for Kingston and the Islands is quite aware of the rules of this House. Making a point of order to say precisely whether a person is or is not in the House is not the way things are done here, and he knows it quite well.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I would want my hon. colleagues on the other side of the House to know that I sat enthralled in the lobby listening to the speech of the Leader of the Opposition. I saw once again the difficulty we continue to have in terms of this subject and certainly some members of the opposition. It is easy to raise these spectres about things that probably will never happen.

I heard the Leader of the Opposition talk about the matching grants policy and what a dreadful thing this was going to be, that millions and millions of dollars would be lopped off the budget for the Natural Sciences and Engineering Research Council, the Medical Research Council and the other things. That makes a big assumption that the matching grant policy will not be continued or, what may be even more likely, would be replaced by a policy that was even more beneficial to the universities than the one we have now.

It is not a plea for a different kind of policy. It is not a plea for continuation of the thrust. It is a comment that this is going to disappear. Therefore all the scientists and the universities in Canada should be quite upset because this government has made decisions.

I could say that same with respect to the comments about the National Research Council. This government has every intention of ensuring that the National Research Council is a major contributor to science and technology in the years ahead. We have every intention of ensuring that the National Research Council will be

one of the main thrusts in terms of promoting that liaison between industry, universities and government laboratories which is so important.

I heard them talk about high quality manpower and how this government was doing nothing about that. It was this government that brought in the Canada Scholarships Program whereby 10,000 young men and women, at least 50 per cent of whom will be women, will be involved in promoting science and technology and getting young men and women into science and technology so that we can begin to resolve the high quality person power requirements that will be down the road. We know that.

However that is done by taking the resources we have and putting them in the right directions. That is exactly what we are trying to do. We are trying to do it without frightening Canadians that all is going to the dogs. We are going to do these things and we are going to place our money in the right directions; not just throw money at every conceivable program there could be.

Mr. Gray (Windsor West): Madam Speaker, I listened to the hon. minister whose words on the surface are very encouraging, but we have to listen as well to a repetition of the words of the Prime Minister who stated in 1984: "We are going to double our collective national commitment to research and development within the life of our first government mandate."

What actually happened, even if we give the Prime Minister a few extra years to achieve his objective and even if we do not look at simply the period between 1984 and the election itself in 1988? But if we look at the period from 1983 to 1988 we see that in the year 1983 Canada spent 1.35 per cent of its Gross Domestic Product on research and development. I ask you, Madam Speaker, and members of the House: Did the figure increase over the ensuing five years? Did it at least stay the same? It did not even stay the same. It dropped from 1.35 per cent to 1.32 per cent.

I do not see why the Prime Minister, with all the levers of government at his command, could not at least keep the level of expenditure in research and development as a percentage of our Gross Domestic Product equal to what it was in 1983. He could not even do that; it fell.

Furthermore, if we look further at the action of the government with respect to the National Research Council and the research and development programs of the government, what we saw was cut, cut, cut; slash, slash, slash: laboratories, programs, scientists and technicians. What is the point of maintaining a better liaison through the National Research Council with the private sector and government laboratories if the government is closing down its laboratories?

This is very serious in any country. It is very serious, however, in Canada because so little research and development is being done in the private sector in spite of the words of the government about having more done there. Our research laboratories in government are especially important in this country to maintain our high technology base.

If we look at what this government actually did and if we look at what has actually happened since this government came into office, we cannot have the confidence the hon. minister would like us to have in what he just said about the future intentions of this government.

I wish it were otherwise, because the motion we have offered is one built on the words of the Prime Minister himself. Our purpose is to try and get the whole House, including the supporters of the government, to join with us in sending not just to the government but to the country the sense of Parliament in support of more activity in research and development. Yet, instead of a supportive comment by the minister—and I hope it will come later in the debate—we see simply an attempt to justify what until now has been a record that this government should not be proud of in any way, shape or form.

We are giving members of this House including the minister a chance to begin doing better by supporting our motion later today. I hope they will do it. As my colleague has said, it will also give them a chance to support and show that they agree with the words of the Prime Minister.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, I really quite enjoyed and doubtless will support the position that has been the subject of the discourse by the hon. member for Windsor West. I note that members of the Official Opposition has chosen to use the words of the Prime Minister at a time before he

was Prime Minister. I am truly curious why they did not choose to use the words of the previous Prime Minister and whether the fact that they did not reflects the absence of any real policy for research and development during the time the party of the Official Opposition held office.

The Leader of the Official Opposition has chosen to select the words of his motion from the book *Where I Stand* by the Prime Minister and related utterances by the Prime Minister. I would have suggested that he might have looked a little further from the source and he would have found this: "In 1968, however, when Pierre Elliott Trudeau became Prime Minister, we were spending 1.4 per cent of the Gross National Product in this vital job productive area of research and development. For a decade we spent only .9 per cent. In the last two years we have spent 1.13 per cent of the Gross Domestic Product for research and development".

• (1340)

My question is why was Pierre Elliott Trudeau not quoted on the subject of research and development? Given the record of the investment of the previous governments between 1968 and 1984, leaving out that brief period of Conservative government, would he tell us whether what we have heard now is a policy change as compared to the previous occasion in which the Official Opposition had the opportunity really to do something about research and development?

Mr. Gray (Windsor West): We chose the words of the present Prime Minister on which to build our motion because it is that Prime Minister and his party who are presently in office, who hold the levers of government in their hands, and who are today in a position to do something about the problem which I sense is one on which there is a consensus in this House and in this country.

I think it very important that we deal with the situation as it is today, and equally or more important, as we want it to be tomorrow. We want to call upon all members of this House to send a message, not just to the government but to the private sector, to the entire country and to the world that we have to do better and that we are going to do better.

Let us be frank about it. This motion will not carry unless we have the support of, if not all, a substantial number of members on the government side of the House. We thought that we would draft the motion in a way designed to put the supporters of the government to the test and give them a chance to support their own Prime Minister.

I see, Madam Speaker, you are giving me a signal that the time for comment is ending. We recognize who happens to be the Prime Minister of the country for the time being and who has the responsibility of government. We want to give him and his colleagues a chance to join with us in sending the right message in support of research and development to this entire country and to the world as to what Canada needs in order for us to achieve our objectives for it now and in the future.

The Acting Speaker (Mrs. Champagne): I did not want to interrupt the hon. Leader of the Opposition but time for questions and comments has expired. Resuming debate with the hon. minister.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I do enjoy the opportunity today to speak to the motion of the hon. Leader of the Opposition concerning research development and innovation.

At the outset, I would like to say that I agree with the hon. member in terms of the importance of research and development to a nation's economy. It is unfortunate, however, that the opposition has chosen to trivialize this subject by making it a confidence motion which they know that, in accordance with all the rules and traditions of this House, the government will vote against.

As well, I would like to comment about how incomplete I believe this motion is in terms of what makes a country, particularly this one, competitive. In the race to stay competitive in this world market, Canada's advantage in natural resources and our geographic position next to the great trading markets will no longer be enough. In today's world, innovation has become the key to economic strength.

What gives a country a particular edge in innovation that is necessary to make that country internationally competitive? Certainly the level of research and development is important. There are other factors equally important, and sometimes in the growth of a country the economy rests more on other matters than on R and D.

What we are trying to do, I regret with little help from the opposition, is to make Canada competitive across the board. That is why when we looked at the free trade agreement with the United States we said here is another way in which we will make Canada competitive in the world. That is why we are going ahead with the goods and services tax to ensure that our exporters and manufacturers have their prices decreased so that we cannot only buy Canadian made goods cheaper here in Canada, but we can export those same goods.

Those are factors equally as important as the amount of R and D that we are likely to do. The technology inflow that is so desperately required in this country is another very important factor, to which the motion that is placed before this House pays absolutely no attention. We are dealing with a motion that touches one part of the issue and completely ignores the rest, and that is not a motion that most of us can accept.

This government, in terms of R and D, science and technology and its relationship with industry, created the Department of Industry, Science and Technology so that we would have a continuum between the basic science that is done in this country and the necessary ability to have our industries competitive at the other end. That continuum and all the inputs to it are what are going to make Canada a competitive nation. Not only does the new department place a very heavy emphasis on research and development, but it places those R and D efforts in a proper context which, until now, has been lacking in this country.

In the course of our deliberations today, I hope members from both sides of the House will take the opportunity to examine this in a larger perspective than the motion that we have in front of us. R and D, while important, is not enough in terms of making this country competitive. It is simply not enough for the Government of Canada to assume responsibility for all of Canada's R and D efforts. The government cannot do it alone.

I believe that the eminent Canadian scientist, Dr. Fraser Mustard, captured what I am referring to in a recent interview. Dr. Mustard spoke about Canada's "ingrained business philosophy", noting that it focuses on "short-term, quick profits", and that it views government as having the sole responsibility for funding scientific innovation.

What is required is a major emphasis on science and technology throughout the whole economy in industry, in universities, in the provincial governments, as well as in the Government of Canada.

Certainly, the federal government has a major responsibility. However, in tabling this motion today, the hon. Leader of the Opposition is already aware of the high level of funding that the Government of Canada now provides for science and technology.

Federal government expenditures take many forms. They include support for the university research granting councils, the Natural Sciences and Engineering Research Council, the Medical Research Council, the Social Sciences and Humanities Research Council. Hon. members will recall that in May, 1988 this government announced a $200 million increase in funding for those granting councils. Members will also recall that in the recent budget of the Minister of Finance the granting councils received special treatment. Their increases in this coming year will be something like 8.6 per cent. That shows a commitment to the development of high quality manpower and to the promotion of research and development in our universities.

This House also knows, because we have spoken about it many times, about the National Networks of Excellence Program, $240 million to promote the networks that are so required in Canada in terms of the pre-competitive research that Canada has not done very well in the past and that no government until this one has been able to tackle, trying to bring the universities and industry together to promote the networks so that we can have a critical size in terms of research and development that the country needs.

• (1350)

We have also spoken in this House about the Strategic Technologies Program, where in this instance we have asked industry to come and take the lead, to join forces one with another, join up with universities and with government laboratories to try to promote the technologies which we have chosen to be critical in terms of this country's future; namely, information technologies, the biotechnologies and the advanced industrial materials technologies. We have done those things and the money is set aside.

The federal government spent $5.1 billion on science and technology in 1989 and 1990. That is 4.9 per cent of the government's total program expenditures. That is a

lot of money. The federal government's expenditures, in research and development alone, are estimated at $3 billion. That is an increase of 6 per cent over the previous year.

The hon. Leader of the Opposition who proposed this motion may not be aware that the Government of Canada spends more on civilian research and development as a percentage of Gross Domestic Product than the United States and the United Kingdom. We spend about the same on civilian research and development as does the Japanese government. We spend somewhat less than France and West Germany. In other words, compared to the government investment in civilian R and D of our principal trading partners, we are in the middle of the pack.

The fact remains, and no one knows this better than members of the government side, that industry has been slow to respond to the R and D challenge. Canadian industry invests far less than our major trading partners in research and development. It invests about 0.75 per cent of the Gross Domestic Product in R and D, while the private sector in Germany, the United States, Japan and Sweden spends close to 2 per cent. Therein lies the problem about what we have to do in Canada.

It is quite illogical for the opposition to suggest that the Government of Canada should shoulder this whole weight. What we have to do is devise programs to ensure that our industrial partners come in with us and try to promote the appropriate research and development.

The role of government should be to co-ordinate, to facilitate and, where appropriate, to lead. It should not be the function of the federal government to replace private sector research with research paid for by the taxpayer. That is too easy. We know that does not work. We know that the research that is going to count in terms of promoting economic growth, in terms of promoting wealth in Canada, must be industry-driven, industry-lead, and industry-financed. We can help, but we know after 20 some odd years of throwing money at it that that is not going to be the answer.

That is why we have tried in our new programs to have so much of our R and D thrust as a co-operative effort between the Government of Canada and our industrial partners. I mentioned earlier the Strategic Technologies Program and the National Networks of Excellence Program, specifically designed to bring those partners together to promote the kind of industry R and D that we need. One of our problems, as I said, is the lack in Canada of directed basic research or the pre-competitive research which is so prominent in other countries. That we are going to tackle through some of these programs.

I think the House would agree that by implementing generous tax incentives, by fostering these networks, by fostering these alliances, that we are investing in the R and D climate of Canada, and that is what has to be done.

Of course, Madam Speaker, there is much we would all like to do. One has to ask the question: What is it appropriate for the Government of Canada to do as opposed to others? That question cannot be answered today. Perhaps some can, but I cannot. I cannot answer that question today without looking at the over-all financial picture of the Government of Canada.

When we spend 35 cents of every dollar to pay the interest on our national debt, our ability to spend on science and technology is curtailed like everything else. There is no question that we all would like to do more.

Let me come back to some of the things I talked about earlier. The question is not only the amount of research and development that this country has to do. The question is, what do we do to make the country competitive? There are many in the country now who believe that R and D is one component, but technology in-flow will be equally important. That is why we have to promote these alliances and Canadian companies looking out to see what other countries are doing and bringing that technology back. That is one of the things we are trying to do. We think it is critical that we bring the industry with us in these areas. Otherwise, we will not reach the kind of R and D that we need.

When talking about Gross Domestic Product and the amount of R and D that is being done, if one is low on that scale I do not think that is the disease, contrary to my colleagues on the other side, I believe that is a symptom of a disease and we had better go to the root of the disease, not just look at some number which in itself

does not help us in terms of looking at how to make the country competitive. Those are the issues.

In developing a national agenda—and let me stress the word "national"—it is up to all of us, all levels of government and industry in Canada, to look at the national agenda. It is not just a Government of Canada responsibility. It is everyone's responsibility to look at what we can do to make our various sectors more competitive. In many instances, that is promotion of R and D. But we are a country with a particular set of industries and a good deal of natural resource industries. For years, those industries have not been terribly prominent in terms of the amount of research and development they do, except to promote their extraction techniques. In fact, in that area they have been extraordinarily good.

What we need are more industries to look at value-added products. They need to look at adding value to the raw resources so that we can move up the scale. That may require R and D. It may also require a good deal of looking at what happens elsewhere.

Let me talk a little about the Prime Minister's National Advisory Board on Science and Technology. That is one of the most important instruments that the Prime Minister has established in his discussions. It is comprised of eminent Canadians from university, labour and business communities and represents both pure and applied research. The board has submitted a series of reports to the Prime Minister dealing with how science and technology can be expanded and exploited more effectively in Canada.

For example, it was the National Advisory Board on Science and Technology and the report of the university committee of that Board that recommended a national merit scholarship program for undergraduate students entering science and engineering. The Canada Scholarship Program, the $80 million program, is a direct result of the Prime Minister's advisory body. We responded to that.

The public awareness committee of NABS, as we call it, recommended a campaign to make Canadians aware of the need to be informed of the latest developments in science and technology and to understand the ways science affects us in our homes, in our schools, and on our jobs. The government responded with a $10 million program to increase public awareness, including a Science Culture Canada Program to develop a better understanding. Under that program, we sponsor science fairs and educational programs right across the country and the provinces are with us on that. The provinces like that program so much that they have joined with us to extend the time limit within which some of the programs are operating. It is a national program in that sense.

All of these are excellent examples of the manner in which the government has built its science and technology policy through collaboration and consultation. We will continue to consult.

The Acting Speaker (Mrs. Champagne): The hon. member may continue his intervention after Question Period.

It being two o'clock the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

TEXTILE INDUSTRY

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, the Canadian International Trade Tribunal has recommended that Canadian tariffs on textile imports be gradually reduced so they will be comparable to, although slightly higher than, those in other industrialized countries.

The government will have to take a very close look at the tribunal's recommendations before making a prudent and considered decision.

This decision must be integrated with the Free Trade Agreement which provides for eliminating customs tariffs on 50 per cent of textile imports within seven years. The future decision on tariff reductions in the Uruguay Round the results of these negotiations will not be known until the end of the year. I am referring to a future decision concerning the Multi-Fibre Arrangement which, under GATT article XIX, expires on July 31, 1991, and subsequent transition mechanisms.

It is absolutely vital for the Canadian textile industry to be in a position to attract investors interested in this sector.

It is also vital for the government to avoid any hasty decisions that might cause investors to turn to the United States.

* * *

[*English*]

WOMEN'S WORLD ICE HOCKEY CHAMPIONSHIPS

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I join my colleagues in the House today in extending very warm congratulations to members of Team Canada for becoming the first women's world hockey champions.

In winning the title our national women's team has made history. I congratulate the women on the team for their hard work, excellence and fair play and their dedication. The team played brilliantly throughout the series and has demonstrated to all of us that women's ice hockey deserves to be a full medal sport in the Olympics.

There is also a place for women in the sport of politics. I hope more young women will become involved so we may gain another first—gender parity in Parliament by the year 2000. I am sure you agree with me, Madam Speaker.

* * *

EXTERNAL AFFAIRS

Mrs. Beryl Gaffney (Nepean): Madam Speaker, on November 28, 1989, Canadian citizen Mr. Yih-Sheh Leo travelled to the country of his origin, Taiwan. Even though he carried his Canadian passport, upon his entry was arrested without warrant, jailed and violently beaten.

In December, 1989, the guilty verdict of illegal entry was handed down. On January 12, 1990, he was charged with preparing or conspiring to commit sedition which is punishable by a minimum term of ten years imprisonment.

One would assume that the Canadian government would take swift measures to protest the violations against and to secure the freedom of Mr. Leo, a Canadian citizen. To date, the only request to the trade office by the Department of External Affairs is to monitor the case. Those close to Mr. Leo believe that the low key approach of the Canadian government has been seen by the KMT government as a green light to further prosecute Mr. Leo.

The new charge is more serious; it is a case of freedom of speech and of a Canadian citizen and taxpayer's rights being seriously violated. It is more than time for this government to take action and to stick up for one of our fellow Canadian citizens.

* * *

[*Translation*]

MUNICIPAL AFFAIRS

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, two weeks ago, residents in six communities on the Lower North Shore, in the riding of Manicouagan, voted in municipal elections for the first time in their history.

The residents of Blanc-Sablon, Lourdes-de-Blanc-Sablon and Bradore, communities that have now been amalgamated to form the new municipality of Blanc-Sablon, elected Rémi Beaudoin from Lourdes-de-Blanc-Sablon as mayor, and Vincent Joncas and Odette Beaudoin-Dobbin from Lourdes-de-Blanc-Sablon, Paul Lavallée and Normand Letemplier from Blanc-Sablon, and Russell Hobbs and Charles Hart of Bradore, as municipal councillors.

[*English*]

The residents of Middle Bay, St. Paul's River and Old Fort have elected Mr. Scott Buckle as the first mayor of the new municipality of Bonne Espérance and Mr. Andrew Fequet and Mrs. Florance Poland from Old Fort, Mrs. Alvina Leblanc-Lavallée and Mrs. Gladys Buckle from Middle Bay, Mrs. Mary Spingle and Mrs. Karen Nadeau-Thomas from St. Paul's River, to the position of municipal counsellors.

I wish to invite members of the House of Commons to join me in wishing them success and satisfaction in their new municipal functions.

* * *

THE ENVIRONMENT

Mr. Ross Belsher (Fraser Valley East): Madam Speaker, the environment committee has passed an all-party unanimous resolution calling for a moratorium on the development of the Carmanah Valley in British Colum-

bia. The committee seems to believe that it has some interest in what is entirely a provincial matter.

Sustainable development has become the catch phrase of the day. Nowhere is sustainable development more appropriate than in the Carmanah Valley in British Columbia. Despite the cries of pending doom, Carmanah is being managed in a responsible manner, consistent with sustainable development. An initial reserve 25 per cent larger than Stanley Park has been established to preserve the unique old growth Sitka spruce. The balance of the timber will be harvested over a 70 year period. Reforestation plays an important role in the management of this renewable resource.

British Columbia and MacMillan Bloedel are developing a management plan that shares the Carmanah Valley. This agreement has been reached without federal help. As such, I would suggest that the House of Commons environment committee not interfere in provincial jurisdiction, mind its own business and kindly butt out.

* * *

NATIVE PROGRAMS

Mrs. Christine Stewart (Northumberland): Madam Speaker, the federal government has chosen to slash nearly $10 million from native programs which will have a detrimental effect for natives in my riding and across Canada.

In the last five years the native population has swelled as a result of federal legislation which allowed many native people to regain their rightful native status and return to the reserves. However, the government has now cut the funding necessary to deal with increased growth and has cut the ability of native people to lobby the government.

This year's budget has put a 5 per cent limit on expenditure growth in the areas of housing, public works, band management and economic development. The impact is felt on Alderville Reserve in my riding which has 60 families now on a waiting list for homes on the reserve, forced in the interim to pay exorbitant rents off reserve, some living with two families per unit. The 5 per cent cap on growth in funding will not keep pace with the population growth on reserves.

As well, Secretary of State funding cutbacks have attacked the core funding of such native groups as the Assembly of First Nations and the Union of Ontario Indians, organizations which are the communication links between the native people and Ottawa.

The government must live up to its commitments and reinstate communications and social funding for native programs.

* * *

[*Translation*]

GOVERNMENT OF QUÉBEC

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, on March 24, *Le Journal de Montréal* printed the following, and I quote:

> "Decision made before Wilson Budget—"
>
> On November 6, 1989, well before the Wilson Budget, the Bourassa government had decided to transfer part of its obligations and its deficit to the municipalities.
>
> Furthermore, the Bourassa government decided that in 1990-91, it would reduce spending in all departments and agencies by 10 per cent and cut spending on education, postsecondary education, health and social services, and income security (housing assistance).
>
> This was revealed in an order in council, adopted on that date by the Bourassa cabinet and now released.

Madam Speaker, I hope the Liberals, and especially the NDP, read this article in *Le Journal de Montréal*.

* * *

[*English*]

CRUISE MISSILE TESTING

Mr. Stan Keyes (Hamilton West): Madam Speaker, the Hamilton, Ontario chapter of Science for Peace, along with many other Canadians, oppose the continued support by the Conservative government for cruise missile testing over Canadian soil. The over 300 scientists and other members of Science for Peace say to the government that cruise missile testing completely negates any efforts Canada may be making in the cause for global peace and security.

While other countries in the world are sheathing their swords, Canada is keeping remnants of the cold war alive by participating in the testing of these destructive weapons.

As Science for Peace members correctly pointed out in their second letter of protest to the Secretary of State for External Affairs, there are many ways in which Canada can honour commitments to NATO, instead of participating in cruise missile testing. Canada can start by

distancing itself from such destabilizing activities and by promoting its traditional role as the honest broker in peacekeeping.

Science for Peace and all Canadians, including the Liberal party, call upon the Conservative government to discontinue testing of the cruise missile over Canadian soil.

* * *

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, recently a documentary film was made in the United States that attacked the president of General Motors. The name of the film was *Roger and Me*. Canadians who saw the satirical documentary felt chagrin and anger with American workers who suffered under Roger Smith's arbitrary closure of Flint, Michigan.

Now we discover that the same Roger Smith is pulling the same stunt here in Canada with the Boisbriand closure and 1,700 jobs down the tube. In the film we saw the slogan: "What's good for General Motors is good for the U.S. government". We are getting the supplementary here in Canada: "What's good for General Motors is good for the Mulroney administration.".

The government loaned $220 million to General Motors and now it is closing down this plant. If it is a bunch of what you say it is, why does the government not do something about it? It is caving in to General Motors again.

* * *

• (1410)

GLOBE 90

Mr. Stan Darling (Parry Sound—Muskoka): Madam Speaker, from March 19 to March 23, I had the honour and privilege of attending Globe 90 in Vancouver, British Columbia. The Globe 90 conference and trade fair provided a forum and focus for global opportunities for business and the environment.

Close to 4,000 persons were in attendance, and some 60 countries exhibited in the trade fair. There were many outstanding presentations made by experts from every conceivable field of the environment.

All levels of government were represented with about 20 members of Parliament and senators in attendance. Premier Vander Zalm of British Columbia and his Minister of the Environment, the Hon. John Reynolds, were keynote speakers at the opening, together with Maurice Strong, an outstanding environmentalist.

I also wish to acknowledge His Honour, the Speaker of the House, the Hon. John Fraser, who was also a keynote speaker and honorary chairman of Globe 90.

Madam Speaker, I left Globe 90 with a great feeling of optimism about the future of the environment. Between the creative approaches of the private sector and the commitment by all levels of government to make the environment a high priority, we may all yet look forward to a brighter future.

* * *

WOMEN'S WORLD ICE HOCKEY CHAMPIONSHIPS

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, a historic event took place in the nation's capital last week, demonstrating once again that Canada can welcome the world with flair and style, that Canadian women can compete with the best in the world and, further, that Canadian women are ready to take their place in any job, any profession, any role the world has to offer.

I want to congratulate Team Canada on winning the gold medal yesterday at the first ever International Women's World Championships in hockey.

With strength, speed and style, our hockey players skated to a five to two victory and came out of their five game tournament undefeated while competing against the best from around the world.

Organizers and sponsors of this world class event, held right in this city, can be commended for their excellent efforts. We are well-known around the world for our love of hockey, and this landmark victory for our women's team proves that Canada is determined to make hockey history. If we ever needed proof we have it now that women's hockey is ready for the Olympics.

[*Translation*]

THE FRENCH FACT

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, today I would like to draw the attention of the House to what Troy Davidson, a young anglophone 16 year-old from Toronto, Ontario, Troy Davidson, from Toronto, did to promote the French fact in Canada. He got 140 students at his school to sign a petition defending the French fact in this country.

Mr. Saint-Julien: Hear, hear!

Mr. Desjardins: Troy explained that he was concerned about the unity of this country and that he sincerely believes French culture is an asset to Canada.

In the midst of the current language controversy, I think it is edifying and encouraging to see young Canadians stand up and speak out to defend this country's identity. It is unfortunate that certain leaders and individuals have abdicated their responsibility to work to support the unity of this country, but it is also both comforting and stimulating to see and hear young people who are prepared to stand up for the rights of minorities.

Mr. Saint-Julien: Three cheers for Canada's youth!

Mr. Desjardins: Bravo, Troy, for this show of leadership!

* * *

[*English*]

THE ENVIRONMENT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, my concern is with the Sydney Tar Ponds clean-up project in Cape Breton, Nova Scotia. The Ministry of the Environment initiated the formation of a citizens' monitoring committee, following widely expressed concerns by both Sysco workers and the community that the preliminary environmental screening report was not detailed enough to be accurate.

These concerns grew out of the deep familiarity of the workers for the substances to be uncovered in the Muggah Creek site and the inexplicably high incidence of cancer mortality rates in the area. In fact, the committee has presented a recommendation to the minister that the survey was not sufficiently detailed and has requested a full panel review under the EARP guidelines.

The over-riding concern is that the dredging plans remain vague and do not allow for the hazard of the exposure of emissions of carcinogenic gasses like naphthalene. The committee report recognizes that "excavation will allow for the release of such gasses into the air".

A second major concern is that proposals for the dispersal of contaminated waste are inadequate and will result in the leaching of toxic substances such as lead, mercury, and zinc into the groundwater and into Sydney harbour.

The urgent nature of the committee's recommendations deserve a prompt response by the minister. The health and environment of the Sydney are at stake. Act now!

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Many Canadians got the impression from listening to the Prime Minister's speech on television last week that he agreed with the concerns Premier McKenna had expressed, concerns which Premier McKenna felt should be contained in a companion resolution to the 1987 constitutional amendment.

Speaking in Toronto on Friday, the Prime Minister said, and I quote: "I didn't endorse McKenna's proposals. I've been trying to tell you that. The reference to a committee does not mean the acceptance of each of the items in the resolution".

Can the Prime Minister clarify for Canadians just what his views are on the items contained in Premier McKenna's proposal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised that my hon. friend needs any clarification because I had sent him, prior to delivering the speech on television, a copy of my remarks in which I said:

> Accordingly, I have decided to introduce Premier McKenna's companion resolution in the House of Commons next week and immediately refer it to a special committee of the House.

Had I wanted to say "endorse", or "support", I would have said that, but I said introduce in the House for consideration by a committee, which committee would then hear from Canadians across the country and report back to the House for a vote. That strikes me as being an appropriate and democratic procedure.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, if the Prime Minister does not support the items in Premier McKenna's proposal, could he tell the House and Canadians where he expects the exercise reflected by the motion on today's Order Paper to lead?

[*Translation*]

Mr. Speaker, I would also like to ask the Prime Minister whether the McKenna proposal, attached to the government motion appearing in today's Order Paper, will change the Constitution if the provisions it contains are adopted. In that case we will need the consent of the Senate and the provincial legislatures. Has the government asked the provinces to table the same resolutions before their respective legislatures?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Premier McKenna introduced into his legislature a companion accord, in response to which I, on behalf of the government, said:

> Last Friday Premier McKenna wrote to inform me of his intention to improve on Meech Lake through a companion resolution that would add to, but not subtract from the Accord, and would address a number of concerns that have been raised.

I went on to say:

> This is not a take-it-or-leave-it proposition—but a number of amendments that all Canadians should examine seriously—without undermining the Accord and the consensus it represents.

This was because Premier McKenna, in introducing his resolution into the New Brunswick Legislature, concluded by saying: "Now, therefore, the legislative assembly resolves that amendments to the Constitution of Canada be authorized to be made by proclamation—", et cetera, "—but only after the Constitution Amendment, 1987 comes into force".

Premier McKenna was saying in this resolution what he has said publicly many times since, that he has put this forward for consideration by Canadian legislatures in the hope that it can lead to further discussion among all provinces which, in turn, can lead to a resolution of the Meech Lake impasse.

It was in that spirit that I undertook to introduce it into the House of Commons.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I am asking these questions because I think Canadians want to have a greater understanding of the process that the Prime Minister wants to follow and where the Prime Minister expects it to lead, especially in connection with the specific items raised by Premier McKenna.

I again repeat the point of my second question, which is whether or not the Prime Minister would like to see each of the provincial legislatures consider the same annex that is attached to the resolution to set up the special committee which is before the House. In particular, what role does the Prime Minister see for the Senate in consideration of the McKenna proposals and other proposals to break the constitutional impasse?

I ask this because if the Senate and provincial legislatures are not involved in dealing with the companion resolution, how does the Prime Minister ever expect the contents of that resolution to become part of the Constitution of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the other legislatures can speak for themselves and make up their own minds as to how they want to entertain what has been a positive approach by Premier McKenna, which is designed to try to break a log jam.

I speak for my government and we have introduced it into the House of Commons for consideration by a special committee of the House. It has been agreed that at three o'clock tomorrow afternoon the three party leaders will speak in respect of the procedures that they hope to have followed. At that time I will spell out, as will my hon. friend no doubt, my views in respect of the most expeditious and appropriate manner in which a committee of the House of Commons might proceed.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister. The question to be referred for consideration to the Special Committee of the House concerns the companion resolution, better known as the McKenna proposal. This proposal is aimed at amending the 1987 Constitutional Accord or Meech Lake Accord. Does the Prime Minister think the mandate of this committee could be expanded to include any other amendment concerning Canada's Constitution?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe I answered this question in my speech Thursday evening, when I said this was not a final offer, take it or leave it, but a number of changes that all Canadians should examine very seriously. I think there is a way to reach out to Canadians who feel left out by Meech Lake—aboriginal people, northern residents, certain women's groups—without compromising the Accord itself and the consensus it creates. I think that answers the hon. member's question.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Premier McKenna has said, and I quote from his own document: "The companion resolution would require public hearings be held by Parliament and all effective provincial legislatures before the adoption of any constitutional amendments."

How does the Prime Minister of this country intend to involve all of Parliament, that is the House of Commons and the Senate, in this process to make it really a constitutional process?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it has already been agreed that the leader of the Liberals and the NDP and myself will speak to this issue tomorrow afternoon at three o'clock, precisely on that point.

As my hon. friend knows, it is up to each legislature to be seized of a constitutional motion that initiates the process.

Mr. Gauthier: The Senate.

Mr. Mulroney: My hon. friend is asking about the Senate. He may want to ask his Liberal caucus colleagues in the Senate in order to have a better idea as to what the Liberals in the Senate are planning.

We will act on behalf of the House of Commons. Other legislators will act on behalf of their legislatures. We will act on behalf of the House of Commons, and I hope that my hon. friend will continue to maintain the supremacy of the elected House of Commons over an appointed Senate.

* * *

TRADE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Prime Minister. During the 1988 election campaign, Canadians heard time and time again how many jobs were going to be created by the trade deal. The Prime Minister himself, during the 1988 campaign, said that the trade deal was going to create 250,000 new jobs in Canada.

Over the weekend, former deputy chief negotiator Gordon Ritchie told a conference attended by the Prime Minister and the deal's co-signer Ronald Reagan: "The free trade agreement will not be a major creator of jobs. This is a specious claim made in the heat of an election campaign."

Thousands of jobs are being lost as a result of the trade deal. I ask the Prime Minister to admit today that in fact he was wrong when he said that the trade deal would create jobs in Canada.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the claim to which my hon. friend apparently refers is a claim that was made by the Economic Council of Canada through its distinguished chairperson Judith Maxwell who said that the free trade agreement would create 250,000 new jobs. I believed Ms. Maxwell then and I believe her guilty today only of having underestimated her case.

Some hon. members: Hear, hear!

Mr. Mulroney: My hon. friend refers to a comment made by an individual at a conference. The popularity of free trade is such that there are conferences going on all over the place.

May I refer her to a report in *The Gazette* of another conference that took place at Bishop's University in Lennoxville over the weekend at which the conclusions were the following:

> Several of the country's leading economic researchers believe free trade has paid a surprisingly strong and early dividend in the form of robust business investment, made up partly of Canadian companies modernizing or expanding and partly of foreign firms investing in Canada. That helps explain why Canada has avoided a recession and why unemployment, contrary to expectations, has not gone up much

at all despite the high interest rates said economists Ronald Wonnacott of the University of Western Ontario and Douglas Purvis of Queen's University.

These are two outstanding people who are saying that the free trade agreement has brought great benefits to Canada.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Prime Minister. If the Prime Minister is so convinced of his facts I ask that today he table a list of those jobs that have been created in Canada since the trade deal has been signed.

He might also want to speak to the 60 head office employees and the 280 plant workers at Catelli Limited who are being asked to take wage cuts and accept a wage freeze until the end of 1993 if they want to keep their jobs from being shifted to the U.S. plants. The U.S. president of the Catelli firm said that the decision was part of the company's North American strategy under the Canada–U.S. Free Trade Agreement.

Can the Prime Minister still maintain that the trade deal will bring more jobs and a higher standard of living when the trade deal is being used to intimidate workers into lower wages and to accept poorer standards of living?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had not planned on doing this but I would be happy to table a document which indicates that since the free trade agreement came into effect on January 1, 1989, 257,000 new jobs have been created.

Some hon. members: Hear, hear.

Some hon. members: List them.

Mr. Mulroney: Mr. Speaker, in regard to an important component of them—

Mr. Allmand: Selling hamburgers.

Mr. Mulroney: The member for NDG says selling hamburgers. Of the 257,000 jobs, 231,000 or 90 per cent have been full–time jobs, reversing the trend under the Liberals completely.

• (1430)

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. The question for the people of Sainte–Thérèse, Quebec, might be: "Where are the jobs?" We learned this weekend that 1,700 jobs would be lost in Sainte–Thérèse, Quebec. The General Motors plant is shutting down half its production line. Now this plant is more competitive than the General Motors plant in the United States: its production cost per employee is between $8 and $9 an hour less than in the United States.

The Prime Minister said that with the Free Trade Agreement, all decisions would be based on competitiveness. Is the Prime Minister prepared to admit that this decision is political, not economic, that jobs are at stake and that free trade does not protect our people?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the layoffs in Sainte–Thérèse are temporary. They are due to short–term market conditions. The Sainte–Thérèse plant is very modern and very competitive; General Motors has already invested $450 million in it. The facilities at Sainte–Thérèse, like the new paint department, are high quality. We are confident that the plant is in a good position to make the new products successful, which will make it viable in the long run.

[*English*]

We should boost this plant, not disparage it. It has a very strong success rate and a good future.

I should also tell the hon. member that when she talks about food processing, in the past year this industry has seen 21 new plants, 23 expansions and 18 improvements to plants. This was in the last 12 months.

[*Translation*]

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, my question is for the Prime Minister. As was already mentioned on Friday, General Motors announced that 1,700 workers at its plant in Sainte–Thérèse would be laid off. Since the government has subsidized this company in Sainte–Thérèse in the past and, with the Free Trade Agreement, the government promised to maintain and even increase the number of

jobs in that province, what is the government prepared to do to protect these industrial jobs that are very important for the province of Quebec?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, as I said before, we are confident that the plant is in a good position to make its new products successful, which will make it viable in the long run. We have a problem with the market in the short term, not the long term.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the government is great at giving general statistics with respect to job creation, but when it comes to answering about a loss of jobs or plant closures, it has nothing to say.

The workers at Ste. Therese want to know exactly what the government is going to do to protect those 1,700 jobs. Tell us directly what you are going to do.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I should tell the House that the Minister for External Relations, who is at St. Therese in her riding, has been in constant touch with management and the unions in the past three days. She is hopeful that they will see that the intelligent course is a long term course of new products. They have one of the best operating environments in the world. Some of the most modern technical improvements in the world are in that plant. They have a good long term future. We should be optimistic, not pessimistic.

* * *

LITHUANIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is to the Secretary of State for External Affairs. It pertains to the increased Soviet Union military presence in Lithuania. The forced intervention and the intimidation observed in Lithuania over the weekend is clearly counter-productive.

Has the minister made further representations to Mr. Shevardnadze, urging the two sides to come together in dialogue and negotiate a peaceful acceptable resolution? I repeat, Mr. Speaker, to negotiate a peaceful and acceptable resolution. Is he still receiving consistent messages from the Soviet Union that there will be no crackdown?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am in regular touch with Mr. Shevardnadze, although I have not been in touch with him since the events of the weekend. As the hon. member will know, there have in fact been some developments in Lithuania that may give some cause for encouragement. There was a meeting earlier today between Lithuanian officials and Soviet military officers and it appears that the Soviet army has now agreed to notify Vilnius of any troop movements on Lithuanian territory. That may indicate that there is now a movement toward some of the kinds of discussions and negotiations that both sides had been signalling would come to pass and certainly that members of this House unanimously hope will be the means by which this situation is resolved.

I am keeping it under very close review. I had the opportunity to consult on Friday with other members of the House who have been in Lithuania. I look forward to the opportunity to consult directly with the hon. member and will keep the House advised.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I compliment the minister for the non-partisan way in which he is handling this very important situation.

My supplementary question is directed to the Prime Minister. On March 19 the Canadian Lithuanian community asked for an emergency meeting with the Prime Minister to discuss the Lithuanian crisis. This weekend the Lithuanian Canadians have open a crisis centre in my riding to monitor the events in Lithuania and to see if they can provide humanitarian aid. Members from the Canadian Lithuanian Youth Federation are on their way to Parliament Hill to hold a peaceful vigil urging Canada's support for Lithuania's independence.

As of 2 p.m. today neither the Prime Minister, the Secretary of State nor his parliamentary secretary have had time to meet with the Canadian Lithuanian community. I say that with no criticism. Mr. Speaker, you know how busy we are in this House. Will the Prime Minister agree to meet with the Canadian Lithuanian leaders today or, at the latest, tomorrow?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House and the member will know that on the date mentioned the Prime Minister was on an official visit to Mexico and was therefore out of the

country. The Prime Minister and I have kept in regular touch on developments in Lithuania and he is being kept up to date on a daily basis as to developments there.

I know that the group is coming to town. Before coming to Question Period this afternoon, I instructed my officials to be sure that they took the opportunity of their presence in Ottawa to meet with them, and that certainly will be done.

The hon. member will know that I have also been in touch by telephone with some of the leaders of the Lithuanian Canadian community, particularly from Toronto, to discuss particular matters that were of concern to them. We discussed one matter with regard to a visa problem that had been encountered in Moscow and some other particular matters. We will continue to respond in that precise way. The Prime Minister will continue to maintain his active personal interest in the developments in Lithuania.

* * *

STATUS OF WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister Responsible for the Status of Women.

What is the minister doing to restore the $1.6 million that has been cut from the operation of some 75 women's centres across Canada, on top of $2 million that was cut last year? She knows very well, of course, that this is forcing the closure of essential support services for women.

In particular, has she been in touch with Newfoundland women who today are occupying the Secretary of State offices in St. John's, Newfoundland, and who, along with many allies from all political parties and all walks of life, are determined to stay there night and day until funding for women's centres is restored?

Will the minister meet with these women and will she take along the senior member from Newfoundland and the Secretary of State? Also, will she discuss their concerns and find ways to restore funding?

• (1440)

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the Minister responsible for the Status of Women and the member for St. John's East have been meeting very actively with me on a daily basis. We have established a plan and there is a process in place to bring more funding and more help to Newfoundland. We are encouraging the groups to complete applications for the project funding we have made available. We are waiting for those applications to come in. We have indicated that we will even help them fill in their applications and will fast-track them as quickly as possible.

Ms. Margaret Mitchell (Vancouver East): I am sure the women of Canada love to be patronized in that way.

Why is the minister only meeting with his colleagues? Will he meet directly with the women of Newfoundland? Will he, along with the Minister responsible for the Status of Women, meet with the women in British Columbia, where 28 centres have had funding cut and 23 are having to cut their funding. Will he persuade the Minister of Finance that instead of increasing the defence budget by $665 million and increasing funding to CSIS by 20 per cent, some of that money should go to restore funding for women's centres right across Canada?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, we have had budget cuts in our ministry. We have tried to apply them in a very fair and consistent manner. We know the difficulties this may create for some groups. I have been meeting as actively as I can since the budget came out with the Native Aboriginal Communications Society and with groups involved with heritage cultures and languages. I am prepared to meet with as many groups as I can and as quickly as possible.

I might add that senior officials of my department will be in Newfoundland in the next few days. We are hopeful they will have a chance to meet with the group. I know there is an indication they want to meet with me and the two other ministers who were named. We will look at every proposal and meet with as many groups as possible.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Secretary of State. Two years ago, the government started cutting funding for women' programs while subsidizing the reactionary group REAL Women. Today, all women's groups are barely surviving as a result of these budget cuts. Can the minister give the House the assurance that this anti-equality group which still calls itself REAL

Women will have no further grants from this government?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, this year we will support at least 600 projects or programs totalling at least $6 million. All programs will be subject to the same criteria which include promoting equality and social justice for all women in this country. I realize there are areas where far more should be done, including Native women, women who belong to visible minorities, immigrant women and, of course, women living in isolated rural areas. We will keep on doing as much as we can. As the hon. member is no doubt aware, during the Liberal government's last term, $12 million was earmarked for women's programs. During this term, we quadrupled that amount, bringing it up to a total of $48 million.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): The minister never answers questions when they concern women. I wonder what he thinks of REAL Women.

My supplementary question is addressed to the Minister responsible for the Status of Women. The minister recently promised to convince her colleagues of the importance of funding for women's programs. The women's centre in Antigonish is facing probable closure because of this year's budget cuts. Has the minister really discussed the problem with all of her colleagues, and does she have good news for the women of northern Nova Scotia and similar groups nation-wide?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I would like to confirm to the hon. member that indeed I have been discussing this issue with my colleagues on a continuing basis, as well as with a number of representatives of women's organizations and a number of the provinces to see how we can deal with these situations.

I believe we are working out a solution, as the Secretary of State has indicated. He is prepared to make project funding available on an emergency basis and to assist those organizations in applying for project funding. I know that we are going to be able to assist a number of the groups that I have met with in continuing their work of advocacy and education in compliance with the Secretary of State women's programs.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my question is directed to the Secretary of State. The minister says he is meeting with women and women's groups across Canada, but of the $1.6 million cut in the last budget, women's groups in Newfoundland are losing $250,000 in funding.

Will the Minister restore funding so that women across Canada will not be denied the help they need and the means to be heard?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I have already indicated that a process is under way; a process to bring more program funding to Newfoundland *pro rata* than they had before. The core funding does not exist for the women's centres because that program has been cut in keeping with the announcement made in this year's budget.

What I have said is that we have programmed funding. I am going to be as flexible as I can. My officials have already been indicating the kind of flexibility that can be shown to make sure that we are of help in those areas where we can be helpful.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, millions of dollars have been loaned to strip bars where women are exploited and demeaned while organizations which work to improve the status of women are being stifled in a stranglehold by the government.

How can the minister justify cuts that will shut down women's counselling centres, rape crisis centres and centres that help battered women and their children? Will the minister admit that this heartless move against Canadian women is a mistake and restore full funding immediately?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, that claim is outrageous. The government brought forward a $40 million program to help women in that difficult situation which I described as a crime against humanity. There are specific programs and those programs are not affected by this budget.

Let us not forget that there are a lot of other program areas that particularly help women. Almost $1 million of the new funding for multiculturalism has been applied to immigrant women and visible minority women. Funding for the disabled persons program has been increased this year again. Sixty-two per cent of the disabled people in the country are women. It is another way in which we are helping. The Aboriginal Women's Program will receive the same amount of money as last year, a very important amount of money, over $2 million. Within the existing program of the Department of the Secretary of State, there are significant funds still available which will be helpful in promoting equality and social justice.

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THE ENVIRONMENT

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is directed to the Minister of the Environment. Eurasian milfoil, an aquatic weed species, has infested many of the lakes in the interior of British Columbia. This rapidly-growing weed has choked off many of the recreational areas. It is also seriously affecting the tourism potential throughout the Okanagan and Shuswap lakes basins.

Is the minister prepared at this time to initiate a federal program to help eradicate this nuisance weed which now threatens to invade many of our salmon-bearing streams and rivers?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we are concerned with this specific situation. I am awaiting a report to learn more about the solutions that can be found and who would be responsible for those solutions.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the minister should know that both the provincial and regional governments have in fact been fighting this battle—a losing battle, I might add—for some time. Does the minister know that his ministry's 1988 federal water policy actually commits the government to promote co-operative federal-provincial endeavours to protect and enhance the quality of our water resources on issues such as this?

Can he explain in light of this policy why the government has not at this point provided financial assistance in British Columbia's fight against Eurasian milfoil infestation?

• (1450)

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, everyone in Canada knows that we are in the process of setting up an environmental plan for the next five years for Canada.

This week I will have the pleasure and honour to release the consultation documents wherein the main parameters of the plan will be unveiled. There will be a very intensive consultative process in the next few weeks, during which all of Canada will be visited by ministers and people from all levels of government.

In the fall there will be a set of solutions in the plan which will address the main issues of environment. I trust my colleague will be satisfied with what we have proposed.

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[*Translation*]

TEXTILE INDUSTRY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Finance. The textile industry, the clothing industry and the Quebec government spokesman condemned the conclusions of the report of the Canadian International Trade Tribunal on textile tariffs, which advise reducing customs tariffs and overlook the fact that the industry is governed by the regulations of the Multi-Fibre Arrangement under Article XIX of GATT and also by a free trade agreement with the United States. Could the minister give them the assurance that he will give them enough time to present their views and recommendations before the government decides whether to implement these proposals?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the tribunal has already met 500 companies and several associations representing the textile and clothing industry. It has also visited about 40 companies to try and understand the problems facing these two industries. The tribunal's report was sent to me only a few days ago,

so that the government will respond to this report in a few weeks' time.

[*English*]

I want to say that we have listened very carefully to the industry through the CITT. I would expect that representatives of both the clothing and textile industries, which in fact take two quite different points of view on this particular proposal, will be making their views known to us during the course of the next few weeks.

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GOODS AND SERVICES TAX

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance.

Yesterday's edition of the *Winnipeg Free Press* carried the headline: "Hospitals Fear Wilson's GST: A Nightmare to Administer".

The Manitoba Health Organization estimates that four Manitoba hospitals will spend close to half a million more in sales tax under the GST and more due to increased administrative costs than they would under the present tax system.

Would the minister now agree that it would be best to cancel the proposed GST or, if he insists on imposing it, at least to exempt health care institutions? Or, does the government want to bleed the hospitals for revenue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know that the hon. member did not do it intentionally, but does distort in a very substantial way the commitment this government has made to hospitals, as well as to universities, schools and municipalities, that we will not increase the tax burden of these organizations.

An hon. member: Yes, you are.

Mr. Wilson (Etobicoke Centre): The hon. member says: "Yes, you are". If he would read the paper he would understand quite clearly that what he has just said is quite untrue.

The facts are that we are meeting with the provinces. We have had extensive discussions with hospitals, universities, schools and municipalities to see whether there is a simpler way of meeting the commitment we have made. Those meetings have been taking place quite recently. In fact there was a meeting with the provinces as recently as last Friday.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the figures are not mine. The figures come from a financial institution that prepared the report for the Manitoba Health Organization.

Labour unions in health care institutions will likely demand GST related wage increases, which will further aggravate hospital expenditures, and cut-backs in health care services will then become inevitable unless the province is able to step in.

Since this government has already cut transfer payments to the provinces for health, how can the minister insist on imposing onerous financial burdens on hospitals and still expect them to provide excellent health care to all Canadians?

Would he admit that it would be silly to force hospitals to absorb the heavy administrative costs that the GST would impose if in fact no revenue is intended to be obtained from the hospitals?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am glad that the hon. member does acknowledge that we do not intend to collect additional revenues from those organizations.

As I indicated in my first answer we have had discussions with the provinces, the schools, the universities and the hospitals to find a means whereby we can simplify the administration of this. Those discussions are ongoing. If we can get agreement from the provinces to do so, then we should be able to meet the needs of the hospitals I should underscore the point that there will be no need for them to increase their wage rates along the line the hon. member has just suggested.

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NATIONAL DEFENCE

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of National Defence. His department is now carrying out a review of defence policy.

In view of the fact we have heard today that other ministers including the Prime Minister are having the people of Canada participate in the public policy review process, is he now prepared to open up his review of defence policy to the people of Canada, to consult them

and let them have their say on future defence policy, before his departmental review is finalized?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, through the committee that the hon. member serves on, there is opportunity for the Canadian public to express its views and concern on the security of its own nation.

However if a suggestion were made that the security of Canada would be emphasized by a Gallup poll and directed that way, I suggest to the hon. member that that is not adequate security for any country.

Hon. William Rompkey (Labrador): Let me build on the minister's answer, Mr. Speaker, ask him now, specifically, if he would be prepared to go so far as to make a reference to the standing committee of the House of Commons to engage it in the review of defence policy and to allow Parliament, which speaks for all Canadians, to participate in his review of defence policy. Would he go that far as to make a reference to the standing committee?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. member being a long serving member of the House knows that if the standing committee wishes to take this action it would take it on its own initiative. I would fully support that action taken by the standing committee if that were its wish.

* * *

TAXATION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is for the Minister of Finance.

Senior citizens in my riding who are now filling in their 1989 income tax returns are asking me why they are required to pay the clawback on their old age security when there is no law requiring them to do so.

Can the minister explain why any senior should pay a tax that is not the law of this land?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member knows, this legislation has passed the House of Commons. It is in the Senate now.

The effective date of the taxback to which the hon. member refers is the last fiscal year. If someone does not want to pay it right now, it is perfectly within their right not to pay it, but once the law is passed it will be effective for last year and they will have to pay it at that time.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am surprised at the minister's answer. I challenge him to rise in his place and give any authority for a tax that has not been passed by all parts of this Parliament.

Since seniors are not required to pay it, will he stand and assure them that they are at liberty to fill in their tax this year without paying the clawback on their income tax, and that there will be no penalty or interest added if and when it is passed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe I responded to that part of his question in my first answer.

The practice that is affecting this particular aspect of the Income Tax Act is something the country has been following for many, many years now. Taxes become effective on certain days as long as there is a Ways and Means motion that initiates the legislative process. That Ways and Means motion was put in place last April, and it is on that basis that the tax is liable to be paid.

* * *

• (1500)

EXTERNAL AFFAIRS

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns the plight of the refusnik family, Leonid and Natalia Stonov.

As the minister knows, they first applied to leave the Soviet Union in 1979. They were last turned down in 1988 and told not to reapply for four more years.

Will the Secretary of State for External Affairs intervene in this case?

I met the wife, Natalia, yesterday in Toronto. She is in Canada on a visitor's visa. We phoned Leonid in Moscow and I promised him that the government would try to intervene to get special cases like his rectified just as soon as possible so that they can start a new life in Israel.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his question.

As a result of his intervention, Natalia Stonov is meeting now with a senior official of the Department of External Affairs. We will see what action we can take. We will naturally pursue this case vigorously, as we have pursued other cases vigorously and with success.

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PRIVILEGE

FINANCE COMMITTEE—SPEAKER'S RULING

Mr. Speaker: On March 21, 1990 the Chair received several notices of questions of privilege relating to an action of the chairman of the Standing Committee on Finance on March 20, 1990.

The hon. members complained that the chairman of the committee, the hon. member for Mississauga South, had exceeded his authority by putting an end to a debate on a motion declaring the said motion withdrawn and introducing a new order for allocation of time for the consideration in committee of the goods and services tax bill. The chairman also declared that this action on his part was in essence a ruling that there was to be no debate or points of order. The action of the chairman was formally challenged by a member and the chairman was subsequently sustained on a recorded vote of 7 yeas and 4 nays. The chairman then declared the meeting adjourned without question put until March 26, 1990 at 3.30 p.m.

The Speaker has often informed the House that matters and procedural issues that arise in committee ought to be settled in committee unless the committee reports them first to the House. I have, however, said to the House that this practice was not an absolute one and that in very serious and special circumstances the Speaker may have to pronounce on a committee matter without the committee having reported to the House.

[*Translation*]

The matter that has been raised with the Chair is a serious one. Evidence of that is that eight hon. members filed notices of questions of privilege and the Chair heard submissions for almost two hours on Wednesday last.

[*English*]

Because the matter is serious the Chair will respond in some detail. For clarity's sake, I will begin by listing the points that I will cover.

First, there are the points raised by the hon. member for Burin—St. George's who was supported in argument by the hon. member for Ottawa—Vanier, the hon. member for Yorkton—Melville, and the hon. member for Edmonton East:

Did the chairman exceed his authority in (a) declaring a motion withdrawn, (b) disallowing points of order, or (c) adjourning the committee arbitrarily?

Second, there is the point raised by the hon. member for Yorkton—Melville which relates to a similar case that occurred on June 6, 1984 in the Standing Committee on Justice and Legal Affairs. Is that a valid precedent which should be followed?

Third, the hon. member for Nickel Belt invoked the principle of English parliamentary law that the minority must be protected from the tyranny of the majority. He asked that I review Standing Order 1 and seek guidance and other jurisdictions. The question is therefore: should the Speaker overrule a majority decision made in committee?

Fourth, finally the hon. member for Burnaby—Kingsway referred the Chair to Standing Order 78(3) relating to time allocation. The question is: Does this Standing Order apply in committees?

Let me now address each point.

First, did the chairman of the finance committee exceed his authority? A committee chairman is elected by the committee. Like the Speaker, he is the servant of the body that elected him or her. The chairman is accountable to the committee, and that committee should be the usual venue where his or her conduct is pronounced upon, unless and until the committee chooses to report to the House, which this committee has not yet opted to do.

That is the tradition of the Canadian House of Commons. If I am to respect that tradition, I should therefore avoid comment on the conduct of the hon. member for Mississauga South and let the committee deal further with the matter if it so desires. There are also other means by which the members may bring such an issue forward for debate on the floor of the House. In this case, as Speaker, I have decided to resist both the urgings of members and my own temptation to comment at this time on the conduct of the chairman.

Next, does the 1984 incident in the Standing Committee on Justice and Legal Affairs constitute a valid precedent?

Let me summarize that particular event. The bill was before the committee and no progress was being made. The chairman took it upon himself to break the impasse. The committee, by majority vote, supported his decision with the opposition voting against it. The chairman acknowledged the parliamentary significance of his action by resigning immediately after the bill was reported back to the House. The matter was raised in the House on June 8, 1984, and Madam Speaker Sauvé refused to hear a question of privilege citing citation 76 of Beauchesne's fifth edition.

The story does not end there however and what subsequently occurred is very interesting. At the next meeting of the committee the same individual was re-elected to the chair of the committee on a motion made by a member of the Official Opposition, seconded by a New Democrat. All this can be found in the minutes of the Standing Committee on Justice and Legal Affairs of June 6 and June 19, 1984. The outcome of that particular case was determined by the committee, as it should be, and not by the Speaker. I would caution members, however, in referring to this as a precedent. What occurred was merely a series of events and decisions made by the majority in a committee. Neither this House nor the Speaker gave the incidents any value whatsoever in procedural terms. One must exercise caution in attaching guiding procedural flags to such incidents and happenings.

Let me next deal with the points of the hon. member for Burnaby—Kingsway relating to time allocation. Standing Order 78(3) reads as follows:

[*Translation*]

> A Minister of the Crown who from his or her place in the House, at a previous sitting, has stated that an agreement could not be reached under the provisions of sections (1) or (2) of this Standing Order in respect of proceedings at the stage at which a public bill was then under consideration either in the House or in any committee, and has given notice of his or her intention so to do, may propose a motion during proceedings under Government Orders, for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage; provided that the time allotted for any stage is not to be less than one sitting day and provided that for the purposes of this section of this Standing Order an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages on a bill if that motion is consistent with the provisions of Standing Order 76(10). During the consideration of any such motion, no member may speak more than once or longer than ten minutes. Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion. Any proceedings interrupted pursuant to this section of this Standing Order shall be deemed adjourned.

[*English*]

That standing order can be made to apply to the committee stage, but it must be moved in the House by a minister. Once such a motion is adopted, it becomes a mandatory instruction to a committee considering a bill to deal with the legislation according to the wish expressed by the whole House.

Finally, the point raised by the hon. member for Nickel Belt is the one that gives the Chair the most concern for it is an extremely valid one. The question is: When does the Speaker step in and judge that there has been an abuse by the majority?

I should like to remind hon. members of comments I made in the House on April 14, 1987, at page 5119 of *Hansard*. I said:

> It is essential to our democratic system. The controversial issue should be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments pro and con and the reasonable delaying tactics should be permissible to enable opponents of a measure to enlist public support for their point of view. Sooner or later every issue must be decided and the decision will be taken by a majority. Rules of procedure protect both the minority and the majority. They are designed to allow the full expression of views on both sides of an issue. They provide the Opposition with a means to delay a decision. They also provide the majority with a means of limiting debate in order to arrive at a decision. This is the kind of balance essential to the procedure of a democratic assembly. Our rules were certainly never designed to permit the total frustration of one side or the other, the total stagnation of debate, or the total paralysis of the system.

• (1510)

The hon. member for Nickel Belt suggested I look to other jurisdictions but I have found a comment of Speaker Lamoureux which is on point. On July 24, 1969, he said:

> What hon. members would like the Chair to do under the provisions of Standing Order 51 is to substitute his judgment for the judgment of certain hon. members. Can I do this in accordance with the traditions of Canada, of Britain, and in all parliamentary systems where the Speaker is not the master of the House in spite of what Standing Order 51 says. The Speaker is the servant of the House. Hon. members may want me to be the master of the House today but tomorrow, when, perhaps in other circumstances I might claim this privilege, they might have a different opinion. It would make me a hero, I suppose, if I were

to adopt the attitude that I could judge political situations such as this and substitute my judgment for that of certain hon. members, either a majority or, perhaps, sometimes a minority. I do not believe that this is the role of a Speaker under our system. I am not prepared at this time to take this responsibility on my shoulders. I think it is my duty to rule on such matters in accordance with the rules, regulations and standing orders which hon. members themselves have turned over to the Speaker to administer.

That is the end of Speaker Lamoureux' quote.

[*Translation*]

In the light of our long-standing practice and the wisdom of Speaker Lamoureux, I have chosen not to substitute my judgment for that expressed by a majority on the Finance Committee, unless that majority decides to report its dilemma to the House.

[*English*]

The Chair has been unable to find the basis upon which to act at this time. That is not to say that under different circumstances the Speaker would not intervene. If I am cautious in not acting now it is simply because the Chair does not supervise the standing committee chairmen. That function belongs to the members of each committee and they have obvious avenues to pursue other than invoking privilege in the House.

At the same time, chairmen ought to be mindful of their responsibilities and make their decisions and rulings within the bounds of the fine balance provided by our rules.

I am grateful for the patience of the House and grateful to members for their submissions.

I would urge all chairmen and members of committees to try and strive mightily to ensure that the general rules of this place are followed as far as is sensible and helpful in those committees. I remind hon. members that endless points of privilege on what goes on in committee, when they fall short of that extreme situation where a Speaker might have to intervene, take up a great deal of time in this House. I would ask all hon. members to consider carefully what I have said in this ruling and also, perhaps, some of the things I have not said.

POINT OF ORDER

ALLOTTED DAYS—SPEAKER'S RULING

Mr. Speaker: Last Thursday, March 22, the House heard extensive arguments bought forward by various members relating to the complex and sometimes perplexing subject of supply, specifically the allotment of days for opposition motions, the notice required for these motions and the calculation of the number of these motions that can be votable.

Other questions raised touched not so much on our rules but rather on our general practice regarding the embargo of any motion by the member who submits it to the Table or to the Journals branch, whether that member is from the government or the opposition side.

[*Translation*]

I wish to thank all members who made contributions to the debate on these points. Such discussions help us to clarify the meaning of our rules which can sometimes appear somewhat ambiguous.

Shortly after I heard members' arguments, I stated to the House my decision that last Friday and today would be opposition days and that the opposition had fulfilled the requirements of the Standing Orders in designating a vote on Friday's motion to be non-deferrable. At the same time, I indicated my intention to return with a more detailed ruling. I am now prepared to offer members my assessment of the contending points raised last Thursday.

[*English*]

In his presentation, the government whip maintained that two elements were required in order to have a non-deferrable votable opposition supply motion on a Friday. The obvious element was that the opposition had to give 48 hours' notice of its intention to demand such as vote.

Equally necessary he contended was the designation of an allotted day on a Friday by the government before the opposition can give notice that a vote on a supply motion be non-deferrable.

With respect to the first element I certainly agree. The rules clearly spell out this requirement. Standing Order 81(12)(b) states:

If an opposition motion pursuant to section (14) of this Standing Order is to be proposed on a Friday, forty-eight hours' written notice shall be given that the recorded division on the motion, if demanded, is not to be deferred;

As I ruled on Friday last, it was my view that the opposition had fulfilled the requirements of the Standing Orders in relation to this, and could demand a vote on the Friday.

About the second element raised by the chief government whip, the Chair has serious doubts that the government has any direct role in determining when an opposition motion should be votable. The normal procedure is for the government to designate the day as being an allotted day, and the opposition then decides what the motion to be debated on that day will be and decides also whether or not that motion is one that will come to a vote.

The Standing Orders list the number of allotted days there will be in each Supply period and where the government has failed to designate sufficient days to meet the requirements of the Standing Orders, by attrition those days left in the period must become allotted days, when no other alternative is possible in order to comply with the Standing Orders. That is what happened in this instance. When the House was discussing this matter on Thursday, only two sitting days remained in the period ending March 26, and two days remained in the total to be allotted to the opposition, hence Friday and today had to become opposition days, whether specifically designated by the government or not.

The NDP, anticipating that Friday might be an allotted day, submitted a motion, on notice, on Wednesday before the 6 p.m. close of the Notice Paper, and indicated it wished such motion to be designated a votable motion. This was what subsequently transpired. Friday was an allotted day with an NDP motion debated and voted upon.

In normal circumstances, the government, if it did not wish to vote on a Friday, could undesignate an allotted day and proceed to other business. That was not possible because the calendar ran out and Friday and today became automatically Supply days.

In the arguments presented last Thursday, the government whip raised another interesting point, one that has to do with our embargo practices. The government whip stated that, as a consequence of the embargo placed on the notice of the opposition motion filed last Wednesday by the hon. member for Saskatoon—Humboldt and on the votable status of that motion, the government was deprived on the 48 hours' notice.

In light of the seriousness of this allegation, I think it is useful to review our long-standing practice with regard to embargoes. An embargo is a well established practice which entitles anyone who is giving notice of a motion to instruct the Table to withhold explicit information about the content of a motion until the actual release of the parliamentary documents containing the notice, that is, the *Order Paper and Notice Paper* and the *Projected Order of Business* paper, documents normally available early the next morning. In the case of an opposition Supply motion, the embargo can include information on whether the motion is votable or not. The embargo is placed exclusively at the request of the sponsor of the motion.

It is completely beyond the authority of the Table to determine whether the notice of a motion should be embargoed. Indeed, the Table makes every effort to follow any instructions given by a member filing a motion. Whether information about a filed motion is to be made public immediately or at the hour when the filing of motions closes, this would be seven o'clock on Monday, five o'clock on Friday and six o'clock on other days of the week, or in a full embargo when the published parliamentary documents become available early the next morning, is entirely in the hands of the sponsoring member. This is true, whether the member is from the opposition or from the government. As I have said, this is a practice of long standing and is adhered to scrupulously by the Table and the *Journals* office in all cases, for obvious reasons of fairness and impartiality. In view of this fact, I could not find that the complaint of the government whip was of sufficient merit to have forestalled or affected my decision of last Friday to allow the opposition their non-deferrable, votable motion.

That being said, however, the consequences which might arise from such a full embargo are serious and the House may wish to consider whether this practice should be modified. In the meantime, the Chair and the Table are bound to abide by the normal practice which I have just outlined.

Notices printed in the Notice Paper which is attached to the Order Paper, are intended to give the members prior knowledge of future matters to be raised in the House. Some matters require 24 hours' notice, others require 48 hours'. If some members feel that more notice is necessary than is provided in the Standing Orders, then I suggest the matter be raised in the proper committee. As the Notice Paper is published under the

authority of the House, only the whole House could alter our rules and give the Speaker new direction.

[*Translation*]

The second part of last Thursday's discussion concerned issues raised by the Parliamentary Secretary to the Government House Leader with respect to the counting of allotted days and those that can be votable. Under normal circumstances, as the Standing Orders explain, the supply cycle is divided into three periods ending on December 10, March 26 and June 30. Within each period, a specified number of allotted days are assigned to the opposition. The total throughout the three periods is 25, of which a maximum of eight are to be designated votable and, of these, no more than four motions can be votable within any one period of the cycle.

• (1520)

[*English*]

A special order of last spring took into account the short session in the fall of 1988 and the commencement of the spring sitting only in April of 1989, which was later than usual. This special order provided a different arrangement for the allotment of supply days, and the number of them which would be votable. That special order extended into December, 1989, and took precedence over the Standing Orders and the usual calculation of the supply days for that period. I take the point of the parliamentary secretary that the supply cycle is normally calculated in the way he suggested, that is, that the period which ends December 10, is the first period of the cycle. Normally in the period ending December 10, Standing Order 81(8) stipulates that six days be allotted to supply of which a maximum of four could be votable. As it happened, the special order provided for 11 allotted days and of these, six came to a vote, two more than is usually permissible under the Standing Orders but which were allowed by the special order.

From this, I believe it is logical and fair to calculate from the period that ended December 10, the opposition would normally be allowed four motions to come to a vote and therefore has exercised its option fully by designating four votable supply motions. Therefore, within the two periods that remain in the supply cycle ending June 30, four more motions can come to a vote. As it has happened, the opposition in the period ending March 26 has designated four of the motions allotted to them as votable. In consequence, there remains no more votable motions in the supply cycle which ends on June 30, 1990. As of today, the opposition will have used all of the eight votable motions available to them in the annual supply calendar.

I fully understand and appreciate how difficult the issue of supply can be. I also want the House to understand that my decision last Friday was not made lightly. The Chair is also very much aware of the consequences of a vote on Friday. My only guide however is fair play. The rules apply to both sides of the House in all circumstances. I want to thank the hon. members who contributed to the discussions of these matters last week and I hope this ruling has clarified the circumstances that now pertain to the final supply period which begins tomorrow.

The hon. member on a point of order.

Mr. Hawkes: Mr. Speaker, just for clarification in light of your very last comment, "both sides of the House in all circumstances". We are now left in the position as a House that any notice can be embargoed by any member, whoever gives notice, whether it is a government member or an opposition member. Anything in our rules requiring notice, we can indeed embargo it. I think that is what I heard.

I would really like clarification on that point, that members on both sides of the House wherever notice is required can embargo it and wait till the notice paper comes out, whether we are talking about closure, or whatever.

Mr. Speaker: It may not be satisfactory to members to have this rule, but I tried to set out in quite a long judgment the fact that that has been the practice. It has been done again and again. It happens on both sides of the House. Hon. members on both sides of the House know that that is so. That is the situation.

The hon. member will also know, as other hon. member will that I made a specific reference to the fact

that if this is creating hardship or seems to be an abuse, then it is up to the House to make a change in the rules.

But I point out, that what was done the other night is not something that has not done before by both sides. At the same time, it is not for the Chair to tell the House what to do. Perhaps under the circumstances it is for the Chair to observe that a notice embargoed—it may be a notice procedurally—is not much information to the other side.

ROUTINE PROCEEDINGS

[*English*]

BANK OF CANADA

TABLING OF ANNUAL REPORT

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I rise today, pursuant to Standing Order 32(2), to table the annual report of the Bank of Canada in both official languages. I do so on behalf of the Minister of Finance who had to leave.

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

* * *

PETITIONS

GOVERNMENT RESPONSE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 33 petitions being numbers 342–4545 to 4549 inclusive, 4551 to 4557 inclusive, 4559 to 4564 inclusive, 4569 to 4574 inclusive, 4578 to 4580 inclusive, 4583 to 4585 inclusive, and 5094, 5107 and 5116.

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

* * *

[*Translation*]

PETITIONS

REQUEST FOR ROYAL PARDON FOR MADAM ANNETTE PROULX

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for Science): Madam Speaker, I have the honour to table a petition signed by 8,000 people calling for the release of Mrs. Annette Proulx who has requested the royal clemency. Other petitions will follow soon.

I remind you that Mrs. Proulx, who will soon turn 75, has been in prison for 11 years. Without a royal pardon, she won't be released until the year 2004 when she will be 89.

The judge, the police, the Crown attorney and even our new archbishop, Monsignor Couture, all support her request for royal clemency and feel she is not a threat to society.

I, too, support this humanitarian process initiated by Mr. Simon Bédard and humbly call up on Parliament to urge the Privy Council to grant the royal pardon to Mrs. Annette Proulx, who is currently in the Gomin jail.

[*English*]

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I have the pleasure in presenting a couple of petitions. First, one from 388 people in the community of Gaultois which has a total population of about 600. So I submit that just about every adult in that community has signed his or her name, and with good reason, because it addresses the situation with respect to the fish plant which is slated to close, the one employer in that community.

The prayer of the petition is that Parliament takes steps to prevent the plant from being closed by Fishery Products International. It is a matter that I have raised on a number of occasions both private and in this House with the Minister of Fisheries and his predecessor. I would hope it would be referred to him for the appropriate action.

My second item is a number of other petitions on a related subject which has to to again with the fisheries and it is signed by 3,150 people in many, many communities, many in my riding of Grand Banks, Marystown, English Harbour, and many others, but also some in the riding of the gentleman from St. John's West, particularly the community of Trepassey where a fish plant is being closed by FPI.

The prayer of the petition is twofold. First, that Parliament would take steps to see that the fishermen and plant workers who were adversely affected by those plant closures be provided for in terms of an emergency relief program. Second, that the Parliament would urge the Government of Canada to take more energetic steps

to put an end to the overfishing by Spain and Portugal and by other countries.

These two petitions I have much pleasure in supporting. They are issues that I have talked about on many occasions in this House and I would ask the government to give heed to what the petitioners here in their thousands have said.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, pursuant to Standing Order 36, I am tabling today a petition from Lebel-sur-Quevillon, in Quebec, concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Lebel-sur-Quevillon is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient with regard to the purpose of the Northern tax benefit system. It does not encourage settlement in the North and offers no incentive to develop northern resources.

* * *

• (1530)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, question no 239 will be answered today.

[*Text*]

SAFE DRINKING WATER ACT

Question No. 239—**Mr. Harvard:**

Is it the intention of the government to introduce a Safe Drinking Water Act into the House and, if so (a) what is the probable date of introduction (b) will this Act ensure that there is zero discharge of known carcinogens into pristine drinking water supplies?

Hon. Henry Perrin Beatty (Minister of National Health and Welfare): Yes.

(a) There is, as yet, no projected date for its introduction to the House of Commons.

(b) It is intended that the proposed "Drinking Water Safety Act" will establish standards for the provision of drinking water under federal jurisdiction, and will provide leadership for the enactment of similar laws by other jurisdictions. The Act will not regulate the discharge of carcinogens, which would come under the scrutiny of the Canadian Environmental Protection Act.

[*Translation*]

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

The Acting Speaker (Mrs. Champagne): The question as enumerated by the Hon. Minister has been answered. Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 81—RESEARCH AND DEVELOPMENT

The House resumed consideration of the motion of Mr. Gray (Windsor West):

That this House recognize that Research and Development, and the resulting innovation, are the lifeblood of a successful economy and country and that Canada must increase its level of Research and Development in order to ensure economic growth in an increasingly competitive and technologically literate global community.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I would just like to conclude the discussion I began earlier in the day by saying that we know from the figures available to us that public sector spending in terms of research and development is comparable to that of our other OECD partners. What is lacking is a comparable degree of spending with respect to the private sector. The question then is; what do we do about it?

We have been trying to meet with the various sectors. We have been talking to them about exactly where they are in terms of competition with their sectors in other countries, what they need and what we can do to help them in promoting R and D and being competitive. We are looking at what they need. That is the kind of solution and the kind of program we need; an understanding of the whole problem facing the country in

terms of being competitive and a plan to address it. That is exactly what we are doing.

I do not think we need a series of simple resolutions, important in themselves as they are. I think those resolutions do not tackle the real and important issues in a thoughtful and deliberate way. That is what we have to do in this House, ask the right questions and seek the right answers.

Mr. John Manley (Ottawa South): Madam Speaker, I am a little bit discouraged by the minister's comments about the motion today. He said we had trivialized the subject of research and development in the motion.

Mr. Milliken: Those are the Prime Minister's own words.

Mr. Manley: He also said the government will vote against the motion in accordance with the rules and traditions of the House.

There are two things I would like to note about that. First, the words in the motion are words taken from the Prime Minister himself. Contrary to trivializing it, the hope today is that we will be able to raise multi-partisan debate on issues on which we are all in fundamental agreement.

The importance of research and development, in the Prime Minister's words, are the lifeblood of a successful economy and country, and saying that Canada—and I am quoting from the motion now—

> —must increase its level of Research and Development in order to ensure economic growth in an increasingly competitive and technologically literate global community.

The motion is not meant to solve all of the problems of the nation. But it is meant to afford an opportunity to the House to raise, not only for the benefit of our colleagues but for the benefit of the people of Canada, this very important issue.

I would like to call the minister's attention to the supply proceedings of November 24, 1989 in the House where a motion was put under supply by the then hon. member for Oshawa on which the government gave its unanimous support.

I am astonished that the minister would come today and criticize an opportunity to put forward such important matters and that his government would not avail itself of the occasion to indicate that it too agrees with how important these matters are, much as it did last November. The government did not fall nor did the words of the Leader of the Opposition in introducing his motion indicate that the government would fall.

The minister in his substantive remarks made much of the government's contribution to research and development and suggested the problem really lies with the private sector.

I think there have been a number of analyses done which show that industry-funded research and development in Canada is lower than that of our competitors. According to OECD statistics in 1987 we were right down there in industry funded R and D behind Japan, Germany, Sweden, United States, the Netherlands, United Kingdom and France.

I would like to call to the attention of the minister that from the same source 1987 government funded R and D was well below the U.S., France, the Netherlands, Sweden, Germany and the U.K. Even government funded R and D does not make Canada look terrific.

I would like to conclude my observations by asking the minister that since he has been critical of a motion containing the Prime Minister's own words, would he now indicate to the House and to the scientific community if the government has abandoned the criterion of gross expenditures on research and development as a percentage of Gross Domestic Product? Has the government abandoned that indicator of R and D performance in Canada and, in doing so, has the government abandoned the target of 2.5 per cent set by the Prime Minister in favour of other criteria? If so, what are they?

Mr. Winegard: Madam Speaker, I think the Gross Domestic Product ratio is only one thing at which any country must look. I think the government would make a great mistake if that was the only figure it was going to use to answer the real question of whether this country is competitive and if not, how to make it competitive.

The government is looking at a broad range of figures that it hopes will give a good picture of what needs to be done in the industrial sector particularly, in order to make Canada more competitive.

My hon. colleague talked about the OECD figures in terms of government expenditures. If defence is included, then one should not be surprised if Canada does not rate very high on that list because we do not have a major defence industry in terms of R and D. If defence expenditures are taken out, then Canada's spending on its government supported R and D is in the middle of the pack of all the OECD countries. That is the figure that I gave earlier in my address. With respect to trivializing the motion and trivializing R and D, the difficulty is with the motion itself. It does not place this in a context in which the people of Canada will understand what we are trying to do. Second, the opposition moved a votable motion on a day that my hon. colleague knows that in the traditions of the House it means the government will vote against that motion even if it was a motion within the complete context about which we are speaking.

The hon. member spoke about November 24, 1989. I think I should remind him that that was a non-votable motion. Also that there was agreement between all three parties beforehand as to what exactly was going to happen with that particular motion. We have had no such agreement. It is a votable motion that my hon. colleagues have placed before the House and tradition demands that we vote against that and we will. Let me reiterate once again that what bothers me as much as anything is that the opposition will not place this motion, as significant as it may be, in a total context so that Canadians can really understand where we have to go.

• (1540)

[*Translation*]

Mr. Benoît Tremblay (Parliamentary Secretary to Minister of Regional Industrial Expansion): Madam Speaker, I believe the general idea behind the motion is valid, but consideration must also be given to the size of this country and the importance, as recognized by the Prime Minister, to link our research and development commitment to industry. If we are to do that, it is my understanding that we have to make some choices. We must enter into alliances with industry and reach agreements on strategic choices for Canada.

Can Canada be competitive in every area of research and development? Is it not self-evident that a country the size of Canada must choose areas and technologies, in co-operation with industry to ensure that based on our size we can make a significant contribution to that area? Now if I remember correctly, the programs this Government made a fiscal decision to do without were programs that allowed all-round, across-the-board activities that were more or less R & D-oriented, including a lot of management consultation, to put it more specifically. Now, if we are to be competitive some years down the road, I think that choices have to be made as a country, in partnership with industry of course, and this in my view is what this Government is trying to do through strategic alliances and the choice of strategic technologies. I suggest that nobody has all the answers, and I do not think this Government claims to have all the answers in every area of research and development. Indeed, as I understand the programs, they are open to government and industry in partnership identifying areas for research, choices that this country must make in order to allot available resources to areas where we believe Canadians have the best chance of success. For this reason I think it is important to make people aware of our strategy. Of course we should do more, but how should we go about doing that based on our size as a country, based on our existing strengths, based on our industries' willingness to co-operate with universities and government? This is a very important aspect in my view.

It seems to me that this motion could be acceptable if it is specifically recognized that attempt to make strategic choices we have been making for some years in co-operation with industry.

Hon. William C. Winegard (Minister for Science): Madam Speaker, allocating funds for strategic technologies calls for planning, but it is impossible to plan to allocate funds for all strategic technologies. We have opted for three technologies.

[*English*]

—advanced industrial materials, biotechnology and information technology. As my colleague has said, the government has spread funds from one end of the spectrum to the other without regard to the most critical things. It has made the choices. I hope they are the right choices. The government has made them and that is where the funding will be going.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, this debate has been rather interesting until now. I do not know whether—

Some hon. members: Oh, oh!

An hon. member: Do your best, Howard.

Mr. McCurdy: It has been interesting in the absence of any new light being shed on the issue of research and development and technology and its importance to Canadians.

I do not know how we could have any significant difference of opinion on what is not trivial but certainly beginning to be trite. The motion states:

> That this House recognize that Research and Development, the resulting innovation, are the lifeblood of a successful economy and country and that Canada must increase its level of Research and Development in order to ensure economic growth in an increasingly competitive and technologically literate global community.

My God, we all must have heard this a thousand times in a thousand speeches given by a thousand politicians right across the land, not one of whom contributed one thing to the advancement of research and development or science in the country, including the Prime Minister.

I was tremendously enthralled by the speech by my hon. colleague for Windsor West, the Leader of the Official Opposition. He quoted and elaborated upon the quote from the present Prime Minister. As you will recall, Madam Speaker, in questioning him I wondered why the hon. member did not reflect on other contents of the 1983 book entitled *Where I Stand*. The Prime Minister said the following, and I did not hear the Leader of the Official Opposition dispute this: "In 1968, when Pierre Elliott Trudeau became Prime Minister, we were spending 1.4 per cent of the Gross National Product in this vital job-productive area of research and development."

It turns out that in 1985, the first full year of this government's existence, it was 1.4 per cent as well. Subsequently, for a decade we spent only 0.9 per cent. That is 0.9 per cent of our Gross Domestic Product on research. In the last two years, we have spent 1.13 per cent.

I raise that because, until I came into this place, I was a scientist who struggled as other scientists in the country did to keep together our laboratories and to pursue research that could be by any measure considered significant or world class, at a time when we were constantly faced with the prospect that next year would mean there would be no funding. At no stage were we given the opportunity to know that five years down the pike we would still have money to fund the research in the universities. I understand that that is a restricted area. The fact is that we have had something like three decades of the most horrifically stupid absence of any kind of research and development science support policy in the country, on the part of the previous government as well as the present. But I am prepared to concede more to this government than to the previous government in terms of the directions it has chosen to enhance science and research and development in the country.

The Leader of the Official Opposition said: "We are not interested in all that history. We are interested in the here and now." One of the most significant problems in enhancing research and development and science in the country is that we have developed a culture which has not been improved by politicians. It says that science and research and development are not nearly as important as a whole lot of other things in our society and that somehow we are always going to manage to survive on the basis of exploitation of our resources and so on.

Maybe it would be useful, rather than reiterating the usual stuff, to begin by describing in just a little detail what it is we are talking about and what is at stake, not in terms of what may appear to be some kind of arcane debate on an arcane subject, but relating this to the ordinary people out there who are presumably listening to this debate.

The reality is that our economy must undergo a substantial change, a very significant change, and a historic change. This country has been proud of its forests, its fisheries, its minerals, and all of the resources which we have been able to sell, and sell at a good price. Through those sales we have sustained a good economy and a country in which social democracy and social justice have been funded by the earnings of that exchange of goods, based on resources.

• (1550)

The reality now is that with respect to energy resources we are going to have to find some other alternatives besides those products, for example, that are

going to contribute to the greenhouse effect and global warming.

First, we know that mined materials face competition from Third World nations that can produce them more cheaply. We also know that new materials are being invented day by day that are going to replace those minerals and metals. Soon, we are going to be talking about ceramic motors in our cars and we are going to be driving cars which have ceramic engines. That is symbolic of the kind of future we face with respect to a dependency on resources. What has surely become evident is that no nation can continue to be a resource based economy, produce decent jobs for its people and maintain the kind of social structures that Canada has become proudly used to.

The minister talked about the free trade agreement as being one of those very significant contributors to competitiveness, even more important than research and development. That is one of the silliest things I have heard for a long time. Free trade is about markets and markets are not going to mean a damned thing if we do not have something to sell. We are not going to be able to make enough money to sustain the nation on the basis of the sale of our resources, as I have already indicated.

It is very interesting to see what underlies this free trade agreement, as seen from another perspective and that is a perspective of the President of Mexico. He had it right. We should have a North American trading block in which Mexico would provide cheap labour, the United States would provide the technology, and Canada would provide the resources. If ever there was a prescription for the kind of competitiveness that we would have to pursue in order to sustain our nation in that context, it is one which would have to be devoted to a low wage economy. The trouble with the free trade agreement is that it will prohibit us from doing those things we will need to do in order to produce what others have been trying to produce and that is a high wage economy. Enter research and development and what that means.

It is very simple. The minister mentioned it in passing. We are going to have to produce more value-added and higher value-added goods and services. Those high value-added goods and services are going to have to be saleable outside our nation, that is to say, tradeable outside our nation, so that our nation can be a net earner in international trade, or at least have a balance between what we buy and what we sell.

What is value-added? Quite simply, value-added is investment of knowledge and skill that one puts into that which one is going to sell and which really adds its worth and creates wealth. If that is true, then it is clear, and it will be clear to every voter out there listening to me now, that we are not going to succeed unless we prepare our people with the skills, knowledge, and the new knowledge that will create that value-added and which will result in products and services that we can sell.

It is not just research and development in industry or the universities or any other place that is important. If the minister and I are talking about the same things with respect to those things involved in competitiveness, besides scientific research and developmental research, then it is okay. But he did not mention it specifically. We need as well, as the innovators at the upper level, the skilled workers who are given the opportunity to gain that technological knowledge and those skills that will enable them to be, not just cogs in a factory or assembly line, but themselves capable of making of investment in new knowledge. New knowledge does not come just from high faluting scientists. It comes from every level of an educated people. And what is happening?

In that context, what has the government done? Well, it is inevitable, as it is appropriate, to look at the record, not only with respect to research and development, but with respect to those other components of a value-added economy, to show where the government has failed in spite of its promises.

I would pause to say this with respect to certain aspects of the leadership that the government has provided, in contrast to the efforts of the previous Liberal government. I will give a couple of examples. In 1979, when the government of the Secretary of State for External Affairs came in, the granting councils had five-year plans for the first time in years. A five-year plan meant that a scientist in a university research laboratory had the assurance that at least for five years there would be money to do the research.

It is very interesting to look at the trend line of funding of the granting councils during that period. It goes up until the Liberals come in and then it drops. As a former president of the CAUT and an officer in one or two scientific societies in the country, I had adequate opportunity to know the importance of research and develop-

ment manifested by the last prime minister: virtually none.

If I was among those out there looking for some promise for the future, by God I would hesitate before I would look to the Liberals to fulfil a promise of greater contributions to research and development as it is necessary to increase our economic growth.

I will concede to it that this government did form the National Advisory Board on Science and Technology. It did form the national Networks of Excellence. It has provided scholarships for students in science. It has introduced the new strategic arrangements. But, when it comes down to the core of it and the Prime Minister said we must double our rate of expenditures in research and development, my God, what a failure.

In 1985, 1.4 per cent of our Gross Domestic Product was spent on research and development and in 1989, 1.32 per cent. As a matter of fact, it frightens me to note that that is exactly the kind of trend that began in 1968 with Mr. Trudeau. Will it be the same? We have been told that there is new moneys being spent here in and there on some of those new programs that I just mentioned. I have also indicated that we must understand that no strategy of increased scientific or developmental research will go anywhere in the absence of the people who are necessary to pursue that research and the people who are necessary to produce the products that will develop out of that research. What has happened?

I want to take note of this in the context of what the Prime Minister said in this oft-quoted article. You have to understand that the Established Program Financing funds not only health but post-secondary education. That program has been victimized by the Liberals and the Conservatives. In 1983 the government attacked it by cutting the revenue guarantee. Also, in 1983, 1984, and 1985, it limited funding through the 6 and 5 per cent caps that were introduced at that time. This is what the Prime Minister said. This is what the Prime Minister, the then leader of the party to become the government, had to say: "It is important that the federal restraint program of six and five not be applied to research and development. The National Research Council—". What did the government do? It made its own cut in 1985. In three consecutive budgets, up to and including this budget, it has attacked the EPF to an extent of almost $9 billion in accumulated cuts between 1984 and 1995.

• (1600)

The minister has complained, as well he might he might complain, about the lack of adequate expenditures by industry for research and development in comparison to other nations. But the fact of the matter is, since 1985 industry has increased its rate of expenditures for research and development by 5 per cent, while the government has cut its share by 4 per cent.

Let's examine the record to see what substantial change has occurred in the situation. Gross research and development expenditures as a percentage of GDP among eight comparable countries in the OECD comparison—lowest; industry-funded R and D as a percentage of GDP—lowest; government-funded R and D as a percentage of GDP—second lowest; government performed R and D as a percentage of GDP—middle. In every other area, we are the lowest or the near lowest, and this government has done nothing to change that very substantially.

It has not only failed to enhance the amount of research it has done, it has failed to give adequate support to our universities.

One thing it did do with respect to research and development in the universities is the matching program, but now that is at risk. I only hope that it will finally listen to the recommendations of the Lortie report from the National Advisory Board in Science and Technology which said that over a three-year period, the amount provided to the granting councils should be doubled, and that thereafter the amount provided should be increased by 1.5 times the increase in the GDP. But you are not going to sustain this R and D, whether it is basic research or industrial research, if you do not have the troops.

Right now we have the silly situation of our high tech industry getting permission from immigration to bring in more highly trained people, while we fail to train them in Canada, while we cut the amount of expenditures available to the universities.

While we talk about training, we have 20 per cent illiteracy in this country. You cannot sustain a high R and D, high-valued national economy on the basis of a 20 per cent illiteracy rate. The government's solution is to make those people who are unemployed pay for the training of those who are working, instead of having a sustainable,

productive, retraining and literacy program that is national and will underpin an appropriate R and D economy.

We have heard resolutions like this many times. We have heard it from all sides of the House. There is not a person in this place who has not given a speech that we must do more in R and D or our future is at stake.

If we do not stop "b.s." ing the Canadian people and really do something to enhance that, then it will not be a question of the future of the nation at stake. I suspect that politicians will be burned at the stake.

The Acting Speaker (Mrs. Champagne): I do not think the hon. member is at a loss for words. He might choose them a little more carefully. Question and comments. The hon. minister.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I hope my hon. colleague will forgive a somewhat personal remark. I think I liked his comments better when he was a professor of biology. I have a feeling that my hon. colleague implies in his comments that the Government of Canada should be the one to spend all the extra money we need to bring this up to some figure like 2.5 GERD over GNP.

My colleague knows that that is neither feasible nor responsible. I thought he was quite good when he talked about industrial research and how we needed to upgrade our resource industries. He is correct. There is no question that we need them to be more value-added than they are now, and that is why we are laying the plans to try and tackle some of the issues that my hon. colleague spoke about. We must consult with the various sectors, and that is what we are trying to do.

It is simply not good enough to say that it is up to the Government of Canada to respond to some national target when all the actors have to try and reach that particular target. We have done quite well. In terms of the granting councils, we have maintained the matching grant policy. Their funding for next year in terms of per cent increase is probably larger than any other program in the Government of Canada. It is 8.6 per cent.

I do wish they would not continue to kind of raise the flag of despair. We are making progress. We are at last beginning to understand what the problems are, and my hon. colleague referred to some of those. After hearing how he understands where we have to go as a country, I am somewhat distressed that he would then come back on the sort of GERD-GNP ratio as having a particular significance. I do not think it does and I think he knows in his heart that that is not the issue as such. It is much broader than that.

We have heard again about the matching grant policy. We said over and over again, Madam Speaker, that we know the matching grant policy finishes in the following year and we will make sure that we take care of that issue when the time is correct.

Mr. McCurdy: Madam Speaker, did I sense that you were disturbed by the use of the term "b.s."? You have just heard an example of it. It is called basic simplicities. We heard this from the minister.

The Acting Speaker (Mrs. Champagne): As I said, the hon. member is really never at a loss for words.

Mr. McCurdy: As I said, it is always a pleasure to engage in debate with the Minister for Science but I did not mean to nor do I imply or support the thesis that government is the only one responsible for funding research. Industry must do better. But the government must take some responsibility for those things that it has done which, in my view, do not enhance industry's contribution to research and development.

One of the things the National Advisory Board on Science and Technology notes is the fact that part of our problem in terms of industrial research and development is that we have a branch plant economy in which foreign owned companies just simply do not do research and development.

We have entered into a free trade deal that limits our efforts with respect to foreign acquisitions of those industries that do become research and development intensive, often as a result of government investment. That was the case with Connaught and with Lumonics. There is a leadership role that the government can undertake which can enhance industrial R and D without itself being directly responsible for funding that research."

• (1610)

While it is true that we must find ways of making industry do its job better, it is not helpful to find that the government is getting ready to cut 500 people from NRC. How is it helpful to our scientific and research and development effort to place under attack the National Research Council and to demoralize hundreds of scientists without revealing clearly what directions are to be pursued?

How does it enhance our research and development effort if our university sector, our basic research sector, still suffers substantially because money is being taken out of the university EPF area, and for all intents and purposes being transferred to other areas, such as scholarships and so on, about which the government is prepared to brag. Those are good programs, but for the over-all envelope those things which constitute a research and development area remain unchanged.

By the way, he says I put too much stock in doubling GERD. It was not I who promised back in 1983 to double GERD, it was the Prime Minister. It was not I or provincial branches of the NDP, it was the federal government, in consultation with the ministers of the provinces, who said they would aim at doubling the GERD, the percentage of GDP spent on research and development. If that 2.5 per cent is not this government's goal, tell us what it is and let us hitch up our bootstraps and get there. Let us have a goal.

The National Advisory Board on Science and Technology which the Prime Minister himself formed and for which we congratulate him says that we should have a specific commitment. If it is not 2.5 per cent, what is it and by when? We cannot keep on going as we are now.

Mr. Milliken: Madam Speaker, in light of the large number of members who wish to speak, I want to advise the Chair that, on this side of the House when we next have an opportunity to speak, members will have 10 minutes to speak and five minutes for questions and comments at the end of each speech, if that is satisfactory to the House.

The Acting Speaker (Mrs. Champagne): There are three minutes left in the questions and comments period.

Mr. Winegard: It may be that we will want to have another 20-minute speech and use up double our time, if necessary.

The Acting Speaker (Mrs. Champagne): I thank the hon. member and the hon. minister for their comments. What the Chair would appreciate very much is if, at the start of a 20-minute block, the person involved would advise the Chair. It is easier to keep time and easier for the Chair to advise the hon. member that there is a minute left and he or she might want to come to the conclusion of his or her speech.

Resuming debate.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I hope you might give me one moment to respond to my hon. colleague, under questions and comments.

My hon. colleague said that government spending on R and D was cut. I would just like to give him the figure. In 1984-85, it was $2.45 billion and in 1989-90, it was $2.9 billion. In terms of government funding of industrial R and D, Japan funds 1.7 per cent of industrial R and D, Canada funds 11.8 per cent and Germany funds roughly around 12 per cent. So, we do our fair share of funding the industrial R and D, wherever industry is prepared to undertake it.

One other comment. I know there are many multinational corporations in Canada which do not do a significant amount of research, but I think it would be unwise for us to simply lump them all together. If one looks at Pratt & Whitney, IBM Canada, or some of the others such as Imperial Oil, they are among the leaders of R and D in the country. You cannot make that kind of blanket statement.

The Acting Speaker (Mrs. Champagne): I see that the hon. member for Windsor—Lake St. Clair would like to respond but the time for questions and comments has expired. Do I have unanimous consent of the House to allow the member to answer?

Some hon. members: Agreed.

Mr. McCurdy: The figures are clear. The percentage contribution by government has dropped by 4 per cent since this government has been in office. The part paid for by universities or contributed by universities has dropped 1 per cent. The percentage carried out by industry has gone up by 5 per cent. By God, over-all in the global estimate of who spends what, the govern-

ment's share has gone down since this government has been in office.

Mr. John Manley (Ottawa South): Madam Speaker, I appreciate the fact that the hon. member for Windsor—St. Clair was able to keep his reply so brief. I will be taking 10 minutes because of the number of members on our side who wish to participate in this debate that we consider important, and I will therefore try to focus my comments fairly quickly.

As I have already said, we believe that the motion is one that should be supported by members from all sides, including the government side, on a vote because the wording of the motion very carefully acknowledges the contribution by the Prime Minister to this debate.

Notwithstanding the comments that the hon. minister made a few minutes ago, I would suggest to him that it is time to consider whether the state of our effort in science and technology and research and development in Canada has not gone beyond the point of partisan bickering and reached the point where we need to strive to find common ground where we can work together and where we can encourage our young Canadians, as well as all of the players in science and technology to work together to solve the problems, which are very significant problems indeed.

In very simple terms, I guess our problem in Canada is that we are buying more than we produce and we are doing it regularly, consistently and we are doing it in products that contain technology. Our wealth, which is considerable, has been based throughout our history on our very substantial natural resources. What we cut down and what we dig out of the ground and what we harvest from our soil and from our waters is what has made us one of the richest nations on earth.

But as the world changes, as the global economy becomes more increasingly based upon science-based innovation, upon value-added goods and services, we find that we are going to be facing a decrease in our wealth and in our standard of living, and we are going to have more and more difficulty meeting the expectations of our population.

We have not succeeded in being as adept as many other countries have been at adding value to the products that they produce and at innovating in ways that ensure their continued wealth.

I think the statistics, some of which have been referred to earlier today, are a very good indication of just exactly where we stand in terms of the performance of research and development in Canada and, therefore, our ability to produce science based innovation at all levels in the future.

I am citing a report of the Premier's Council of Ontario in which the performance of France, Germany, Japan, The Netherlands, Sweden, the United Kingdom, the United States and Canada is considered. In terms of gross expenditure on R and D as a percentage of GDP we are the lowest.

• (1620)

Industry funded R and D as a percentage of GDP, again we are the lowest. Government funded R and D as a percentage of GDP, we are the second lowest. Government performed R and D as a percentage of GDP, we are in the middle. Higher education R and D as a percentage of GDP, we are the second lowest.

Domestic patents per 100,000 inhabitants, we are the second lowest. International patents granted by population, we are the lowest. Scientists and engineers in the labour force by population, we are the lowest. Number of technology intensive industries with positive trade balance, we are the lowest.

I think a very great indicator of how we are lagging behind on these important issues is the very substantial trade deficit we have in advanced technology goods in Canada. Where do we go from here? What happens? I know the minister raised the question about the government's role. The implication was that we on this side are suggesting that the government alone should spend enough money in order to increase the GERD ratio, the Gross Expenditures on Research and Development ratio, to a higher number, perhaps 2.5 per cent. I do not think that is what we are saying at all. What we are looking to the government for is leadership on this issue.

What we have in Canada is a bad state of affairs that has been getting worse. I hasten to say there has been a lot of consultation, a lot of talk, a lot of rhetoric, rhetoric such as we have included in the motion. I agree that the establishment of the National Advisory Board on Science and Technology, chaired by the Prime Minister, is a

good thing. The recommendations, many of them made by that board, have been very positive and useful. Most of them have not been applied.

The Science Council has been producing very worthwhile reports. Many of their recommendations have been ignored.

We have had a lot of consultation, a lot of conferences, and those are good. We need to begin seeing some action. We are distressed by things like the announcement of an additional $1.3 billion for science and technology, announced by the Prime Minister about two years ago, and we are still trying to figure out where that $1.3 billion is supposed to go.

We are distressed that $240 million would be put into the networks of Centres of Excellence Program, which is a good program, only to realize that what is being done with it is nothing more than a public relations exercise to expand the mandate of the National Sciences and Engineering Research Council. All of that money could have been allocated by NSERC without the glossy brochures and all of the trumpet blowing that occurred. We need to see money spent in a useful and practical way, not just public relations exercises in science and technology.

The same is true with respect to the debate about the granting councils. The minister has repeated the numbers a couple of times about how much is being increased in the budget of the granting councils this year. Yet, never once in his remarks today has he made reference to his own comment that he does not believe in the matching grants policy, which he made in the House a couple of weeks ago.

When the president of NSERC comes before the Standing Committee on Industry, Science and Technology, as he did very recently, and says that he really needs to know by September what is happening to the matching grants policy in order to be able to initiate the process for spending the next year's money, we are left in the dark. What does the government think about funding for the granting councils? Is the matching grants policy abandoned? Apparently so. If so, what is replacing it? How much money is there going to be there? We have all of these unanswered questions in the context of a lot of rhetoric, a lot of conferences and a lot of boards to discuss things.

Then we have the National Research Council. What a sad few weeks it has been for the National Research Council, where for many months now, in fact several years, morale has been low. People have been worried about their jobs. This jewel in the crown of Canada's scientific establishment has been under attack by a government that professes belief in science and technology and yet does not do a thing to address the concerns of people who have devoted their lives as Canadians to serving this country in endeavours related to science and technology, and who wonder where their future lies. They will not be consulted.

Then we have the funding of industrial research and development. Again, what we have had with the performance of the government has fallen short of its rhetoric. We have the continuing spectre of Revenue Canada going into the premises of small and medium size high technology firms in this country, sending in hired guns to rip through the research projects and try to decide whether the money that is being claimed is actual research and development or not.

Again and again we get the complaints of people going in to examine projects without the slightest idea of the nature of the science that is being performed. Reassessments cost tens of thousands of dollars to challenge and take years to resolve. That is simply in the administration of the income tax rules.

We also had the cut-back in the percentage of R and D that could be claimed by large companies. So we have this inconsistency. We have lots of fine rhetoric about the need for industrial and government and university partnerships, but we continue to have difficult income tax rules with respect to industrial consortia and how they are to be taxed. Those changes, in spite of the fact that they were promised in the finance committee a year ago now, when the Minister of Finance appeared there, have not yet appeared in the Income Tax Act of Canada.

I am afraid in spite of the importance to this issue that I believe all of us prescribe in this House, we have had a continual failure in terms of activity on the part of the government in meeting the needs of Canada both now and for the future.

Mr. Bruce Halliday (Oxford): Madam Speaker, I am pleased to take this opportunity to make a few observations on the comments of the hon. member for Ottawa South, the opposition critic. He is a fairly new member in the House and is liked by us all, but I think we should

just reflect on some of the history in the House over the last number of years that he may not be familiar with.

I was a little surprised when I saw the motion on the table for today, that it came from the Liberal Party, of all people. Their tradition made me think that probably they had their tongue in their cheek when they presented this as an opposition day motion today. I was also surprised when the member for Ottawa South, who is the critic, took umbrage when the minister made reference to the trivialization of this issue of research and development, science and technology.

I would like to refer to some of the trivial attitudes and approaches that were taken by his government in the last 15 years. There were four people sitting in the front benches of the Liberal Party today in Question Period who were colleagues of the Minister of State for Science and Technology at the time I was first elected to the House. The position of that minister in the government at that time was that we should not spend excessive amounts of money on research and development because we could buy what we needed to buy from other countries like the U.S.A., Germany, Great Britain, and so on. I suggest that type of attitude for a political party is trivializing the whole issue of science and technology.

My second point is that during those years after 1974 we tried desperately to have the then Liberal government establish a standing committee on science and technology. The estimates for spending on science and technology were passed through the standing committee on miscellaneous estimates. With all the other trivial matters that we spend money on, the issue of science and technology was included under that umbrella of miscellaneous estimates.

We tried and tried to get a standing committee and we were turned down regularly. It was not until this present government came in during its first mandate that we got a standing committee on science and technology. It met for the first time four years ago today, and that was under the aegis of the Conservative government.

• (1630)

Finally, the third point is that the Liberals were in power for about 20 years then and they never once made any effort to produce an advisory board such as the one we now have with the present government: the National Advisory Board on Science and Technology which the Prime Minister chairs. The attitude of the former Liberals is indeed very trivial as it applies to science and technology. I cannot for the life of me see any evidence to suggest they have changed that. Perhaps the opposition critic would like to indicate why there has been a sudden change of heart on the part of the opposition.

Mr. Manley: Madam Speaker, I must say I am disappointed that a debate on such an important issue would raise the kind of response I have just heard from the hon. member for Oxford.

We are here to talk about science and technology being an essential part of our economic development as a nation, especially in the context of a changing global situation. Instead, the hon. member seems to prefer a debate on history. I would like to refer him to the standing committee on history, if there is one, where that debate can be carried on with some usefulness.

At the moment we have before us a very critical situation in Canada that is gaining in its significance virtually daily. When the government came into office in 1984, I was practising law in this city. We had an accounting computer in our office and that was about it. Now, as I stand here, in that law office a few blocks from here there are approximately 100 computers.

The change that has happened since 1984 alone is drastic. We need to be looking at that changing situation and asking what are the policies that we need for the 1990s? Where do we go from here? If we go back to a situation that existed in a previous decade and try to compare apples and oranges, we are not exactly on a continuum in that respect. Many other problems have become more critical, for example, environmental ones.

In 1984 we were beginning to know about the significance of acid rain. At the time the President of the United States thought it was caused by trees, but on this side of the border we were concerned about it. Since that time, in these last few years we have become acutely aware of problems of environmental degradation which are global in nature. This has presented among other things an opportunity for Canada, by making its commitment to research and development a real one, to move forward on the world stage of environmental technologies. That is an opportunity which lies before us. Why do

we not talk about those opportunities that are out there in the future rather than argue about the past?

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, the motion being debated today and introduced by the Official Opposition reads:

> That this House recognize that Research and Development, and the resulting innovation, are the lifeblood of a successful economy and country and that Canada must increase its level of Research and Development in order to ensure economic growth in an increasingly competitive and technologically literate global community.

It reflects the commitment of this side of the House to research and development. It also reflects the importance to every Canadian of science and technology and how we look at it for our economic prosperity and the well-being of Canadians of the future depend on adequate research and development to prepare our country for the high tech era that is upon us.

I would first like to address briefly the need for a comprehensive national science policy. It has been obvious from the illogical actions of this government with regard to science and technology, including its cuts to funding for research and development, that it lacks a coherent plan of action in this area.

The failure of this government to develop a clear and comprehensive long-term science and technology policy has been a recurrent theme mentioned by several witnesses who have now appeared before the Standing Committee on Industry, Science and Technology, Regional and Northern Development.

Because of the complexity of science and technology issues, because of the increasing importance of research and development to our economic ability to compete on a global scale, and because of the need for more money to be devoted to research and development at both the academic and industry levels, the need for a focused, well researched, sophisticated plan to guide government action in this area is vital. Yet, this government has failed to come up with such a plan, and this is evidence of the short-sighted, inefficient nature of this government.

How do we know that? One only need look at the record of this government. I would just like to cite some figures. Canada, compared to the United States, Germany, France, Sweden, the United Kingdom, the Netherlands and Japan, ranks lowest in the number of technology intensive industries with a positive trade balance, lowest in the number of scientists and engineers in the labour force, lowest in international patents granted, lowest in industry funded research and development, and lowest in the gross research and development expenditures as a per cent of Gross Domestic Product. Canada cannot be proud if we allow ourselves to remain lowest in these areas.

My leader, earlier this morning when he spoke, spoke of the breach of commitment of this government. He also spoke of allowing our country to remain in the junior league. Instead of closing the gap between promises and action, this government has closed scientific laboratories. Instead of firing the enthusiasm of our scientists and engineers, this government has fired them from their jobs. Instead of allowing for education and training, this government has cut funding for post-secondary education. It is not a record that our country can be proud of.

I would like to speak of science and technology as a tool for regional development. As the member for Winnipeg North and from that great part of the country west of Ontario, it is often thought that in the high tech economy which is rapidly developing, only the large urban areas and centres have the necessary skilled labour, management and infrastructures to sustain growth. The rest of the country will be limited to playing minor roles such as providing raw materials or serving as consumer outlets to a few high tech production centres.

While it is true that activities such as genetic engineering, telecommunications and computer science will fare better in large urban centres, there are other good components that are more suited to small and medium sized centres located in the periphery.

We must make a concerted effort to understand the processes of technological change that are occurring because such change has an impact on the labour force, the growth of the outlying regions, and the urban system in our country.

In the last decade the agents of change that have had the most impact have been innovations in telecommunications and computer technologies.

Because some regions are unable to keep abreast of economic change, we have the problem of regional development. Outlying areas are becoming progressively more isolated in terms of information networks and are also becoming more dependent on central Canada. Measures must be taken to propel outlying areas into the

information age, but this government has not made efforts to do this.

The importance of preparing every region for the new information age becomes clear when one considers that new information services will lead to increased productivity and market competitiveness.

With the massive amounts of information being generated world-wide each day and with increasing global integration, it is essential for all business services, traditional and innovative, to adopt telematic management processes. Once the business sector has been served, firms will extend their services to households which is still a major untapped market as a group.

• (1640)

The peripheral regions of our country, the provinces east of Quebec and west of Ontario, will benefit greatly from an integration of telecommunications firms in the regional planning process. The number of jobs created will help to alleviate unemployment, and these jobs will be more creative and more justified than the make work jobs of many existing programs.

Further, effective information systems will increase the over-all productivity of society and decrease the cost of services. For example, consumer information services will promote productivity gains in health care and educational sectors.

What is necessary now is for the government to provide leadership to help regions develop local science and technology bases, which will then lead to a much needed diversification of local economies. The regions will then be relieved of their overdependence on cyclical research based industries.

Applied research should be focused on development and the application of technology which is appropriate to economic development in each of the regions. The government could encourage private sector research through grant programs, contract based support and investment incentive programs. There would thus be an alleviation of the current imbalance caused by the emphasis on central Canadian models which are sometimes inappropriate to other regions.

This government proved its lack of concern for regional development when it cancelled the Unsolicited Proposals Program. I would like the Minister for Science to comment on that and to defend his position on why he cancelled it.

Witnesses before the Standing Committee on Science and Technology have told us that that program was very important because it provided a kind of contract based funding bridge that is vitally important to many early stage technology companies.

This government must provide flexible support for science and technology and customize its funding programs so that developing needs of a given sector in a given region can be met. The focus on central Canada is unsuitable. It will lead to the perpetuation of the tailoring of support programs to that part of the country. As I have pointed out previously, programs which are good for central Canada are often not appropriate for the regions.

This government must ensure that the regions will be able to play vital roles in the high tech era so that all regions of Canada will become more productive, as this is necessary to keep Canada competitive on the international scene.

In summary, I would like to challenge the government to come forward soon with a coherent and comprehensive science policy, which is still lacking; a policy that will define clearly the commitment and the action that it will take for basic and applied research and a policy that will take into account and have the sensitivity to consider all regions of our country. Last but never least, that policy must include a policy on education and training, for without the intellect that we need in science and technology we cannot progress.

I challenge the government to come forward soon with a coherent and comprehensive science policy if we are to compete in the global economy.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I would like to respond to some of the comments that my colleague has made, particularly with respect to information and the information technologies.

There is no question that he is absolutely right when he talks about how information and information transmittal are going to be so critical to the country. That is why I would like to tell him about the National Research Council network, an across Canada network that is now

in the works. It will provide high speed transmission, the availability to transmit from one research unit to another right across the country, and it will ensure that those networks or those university research institutions which are not in central Canada will co–operate the same way as anyone else.

With respect to the networks of excellence, my colleague will be aware that those are spread across the country, not because of any action that we took but because the peer review committee found excellence across the country. The networks are a way to bring groups together wherever they are. They do not have to be in central Canada. There was certainly no bias toward central Canada in the way that was done. In fact it was probably just the opposite.

We are working on a major high speed network, a major study to see if it is feasible to put in Canada a significant network of very high speed that would transmit photographs and hook all of the research institutions together. That feasibility study is now going on.

My hon. colleague says we need to do more about education. Of course we need the people if we are to have a science and technology based country. I agree with him.

It is significant that last summer the Prime Minister said that we had to look at this problem as a national problem and not just as a provincial problem. So for the first time the Prime Minister took the lead in setting up a national task force on education which could look at the educational issue from the point of view of what we need to make this country competitive. That has never been done before.

With respect to science and technology policy, there is no question what the science and technology policy of this government is. It is very clear. My hon. colleague may not like what it is, but it has always been very clear. We are going to maintain and enhance where we possibly can the amount of curiosity driven research that we do in Canada. We are going to try to enhance the pre–competitive research that is done in co–operation with industry. We are going to try to promote industrial research and the alliances that are so necessary. Those are all on the record.

Mr. Pagtakhan: Madam Speaker, I would like to acknowledge the comments of the minister. The absence of clarity is not so much that we cannot understand, but because this government has said something and done just the opposite.

In terms of the centres of excellence which we have welcomed, the government laboratories have been asked to be involved, yet funding for the government laboratories has been decreased. Where is the beef, if I may say, as to the commitment of this government?

A task force on education to identify the needs for the country is excellent. However, the National Science Advisory Board, directly reporting to the Prime Minister, recommended doubling the funding for research and development, and the Prime Minister has ignored that recommendation. What guarantee do we have that after the task force has done its job, has made a series of recommendations, this government will not again ignore recommendations? Will the minister now commit to the House that the recommendations of the task force when it reports will be implemented and implemented promptly?

The Acting Speaker (Mrs. Champagne): The Chair is in a difficult situation. I realize that the minister would like to answer the hon. member. There is a minute left in the period of questions and comments, yet it is turning into a conversation between whoever has the floor and the minister. I am quite prepared, if the House agrees, to have the hon. minister answer.

Some hon. members: No.

Mrs. Maheu: On a point of Order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Obviously, I understand that I do not have the consent of the member to have the minister answer the question posed by her colleague. We will resume debate.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for Science): Madam Speaker, first I want to thank the Liberal opposition for this opportunity to talk about what the department and the government have been doing to promote research and development. For openers I might say that I find the subject of the motion rather puzzling because I fail to see why the government should be criticized after having done so much for research and development.

One of our outstanding achievements has to be the trend towards unprecedented co–operation between the public and private sectors. I would suggest that this new approach is here to stay and, thanks to a few measures I

intend to mention in the course of my remarks, the private sector finally has the support and tools it needs to show leadership in research and development.

The whole government strategy is anchored in the newly established and full-fledged Department of Industry, Science and Technology which took over from the old Department of Regional Industrial Expansion. As the name indicates, the latter's main mandate was to deal with regional disparities. Although it did have something to do with scientific endeavours, DRIE could not really combine industrial policies with scientific and technological programs.

• (1650)

We, which includes the vast majority of experts and observers on the economic scene, are convinced that from now on, our country's progress will depend on its ability to compete successfully on the international scene. By creating the Department of Industry, Science and Technology, we simply reflected the almost unanimous position of the many individuals, interest groups, associations and companies we consulted constantly throughout the country. The message was clear, science and technology should be central to the government's activities. Hence, our commitment to urging all sectors to aim for excellence in scientific and technological development and to working with the sectors on a partnership basis.

We soon realized that market globalization and crumbling economic borders were a threat to our country. If Canada failed to plug into the major international currents of innovation, it ran the risk of becoming isolated, sooner or later. Furthermore, our expertise in certain areas was, in many ways, no longer up to contemporary standards.

It is something I truly deplore. The previous government failed to understand this. It preferred to intervene without a definite plan, mostly through grants allocated at random, in the hope that things would take a turn for the better.

To recover our status as one of the great industrialized nations, but we had to rethink our economic programs, get rid of those which had outlived their usefulness, expand those that could be effective—in a word, we had to seek a consensus and do some housecleaning in cases where policy had often been non-existent.

Instead of endless hesitation without a specific policy, we regrouped about 75 important programs under the aegis of the Department of Industry, Science and Technology. Those in charge of these programs were given a mandate to strengthen links between basic research, applied research, product development, and production and marketing, both in this country and abroad.

The government has also made a consistent effort to persuade business and academics that major research and development initiatives should, as much as possible, be funded from their own resources, because asking for hand-outs is no longer an acceptable way of doing things in an industrialized world. Our department will be primarily responsible for co-ordinating activities by interested parties, more specifically by eliminating barriers to productivity and by encouraging companies to take the initiative, either by upgrading their research and development or taking risks to innovate.

Madam Speaker, some figures are self-explanatory but I think they bear repeating so that everyone understands the situation we are facing today.

Up until very recently, our statistics showed unequivocally that our private sector was lagging far behind in the area of research and development. Let us not forget that out of every 100 manufacturing companies, only three invest in research in this country. Our competitors, who became aware of this situation before we did, are spending twice as much as our own private sector in research and development.

In term of gross domestic product, Canada ranks twelfth among all OECD members involved in research and development.

Let us not delude ourselves: the least we can say about our competitors, which include West Germany, the United States, Japan and Sweden, is that they have very strong backs.

Why did the private sector in Canada wait so long before following suit? Of course, we cannot claim we have all the answers. Our intense consultations have shown that the various partners involved have a feeling of working in isolation and being unable to share as they would the experience acquired by the others, resulting for more than one in a certain feeling of discouragement and disillusion.

That is what convinced the Government to set up his strategic technology programs the purpose of which is to promote networks and alliances between researchers, the Government and the industry. This program is oriented towards three of the most promising technologies, namely biotechnology, information technology, and high-tech industrial material. But the Government is not satisfied with facilitating the liaison between competent scientists for research and development purposes.

Under the Strategic Technology Program, the Department of Industry, Science and Technology is prepared to foot up to 50 per cent of the eligible costs of a project. For instance, we help corporations pay the salaries of their specialized research staff and buy specialized materials and equipments. The Government has allocated $ 200 million to this program alone to encourage the setting up of networks which might include foreign corporations, universities and research centers. Preliminary R & D in which various players are involved are essential before projects with possible technological application can be marketed; their chances of success are therefore considerably enhanced.

On the other hand, as we can never lose sight of the competitive factor, the Department of Industry, Science and Technology is involved in promotional efforts dealing with initiatives and sectorial competitiveness in close co-operation with the businesses concerned. One of the purposes of this program is to improve the international competitiveness of certain Canadian industries by identifying new markets or facilitating the application of technical innovations.

So far, the Department of Industry, Science and Technology has launched sectoral competitiveness campaigns in auto parts, environmental industries, advanced manufacturing technology, medical equipment, manufactured wood products and the fashion industry.

Madam Speaker, that is what I call practical initiatives that take the concept of research and development itself much farther, in a highly concrete way.

The same goes for the government's approach which led to setting up a package of business services to help Canada's private sector develop new markets or, if necessary, acquire and apply new technologies. Our philosophy is supported by initiatives that can lead our business people to lasting prosperity, because we act on the specific sources of the problems of growth or survival that they may encounter.

The government was equally logical, Madam Speaker, when it announced last year subsidies totaling $8.5 million to carry out the program to implement high technology in the manufacturing sector. Basically, this is a program under which eligible companies can hire consultants to modernize their facilities, with the help of our department.

• (1700)

During the fiscal year which is drawing to a close the federal government has spent over $4 billion in science and technology. Contrary to what official opposition spokesmen would have us believe, this is hardly a sure indication that research and development are not one of our priorities.

Better still, Madam Speaker, our contribution is in excess of the $4 billion-plus I just mentioned since this amount does not cover our government's science and technology tax incentives.

I would have a lot to say about that because in recent years we have been trying to make up for the neglect and injustices of previous administrations.

Among other things, the 1985 federal budget included measures under which Canadian small businesses involved in research and development could claim a full refund of the 35 per cent investment tax credit applicable to the first $2 million spent on research and development.

In addition, Income Tax section 37 enables taxpayers to deduct all allowable current expenses and capital expenditures for experimental research and development projects. I might add that in 1988 Revenue Canada set up a special task force to examine tax credit applications and, without undue delay, reimburse companies doing research and development work. Madam Speaker, I am on solid ground when I say that, compared with other industrialized nations, Canadians have a fiscal climate which is particularly conducive to research and development.

I would like to take this opportunity to talk about the National Advisory Board on Science and Technology, established in 1986 and chaired by the Prime Minister himself. This board advises the government on the best way to co-ordinate initiatives by governments, universi-

ties and the private sector in order to compete at the international level.

It is made up of Canadians who have distinguished themselves in the business, university and labour sectors among others.

It has made many recommendations to the Prime Minister on how best to exploit science and technology in Canada. A good number of its suggestions have been followed. For instance, following an intervention by the Board; the government established the Canada Scholarship Program which gives up to $80 million to the best students to encourage them to pursue their studies in natural science, engineering and related fields.

As a woman, I am proud to point out that almost half of the 3,400 young people who received scholarships this year were women. It is time for everybody to recognize the enormous potential of women in scientific studies. The thousands of scholarship recipients for the current school year are in addition to the 1,600 already in the program. Its success is encouraging but it is not the only valid program.

Another recommendation from the National Science Advisory Board gave good results, Madam Speaker. The Board thought of launching a $10 million public awareness campaign to explain to the public in general the latest scientific and technological achievements. The aim of such a campaign is to show how science affects the life of Canadians, be it their personnal life, their academic life or their professional life.

Many Canadians had already come to realize the growing importance of science and its many applications during the sometimes stormy debate that has taken place before the Free Trade Agreement was ratified. Considering Canada is dwarfed by the scale of research and technology transfers in the United States, there was no need to be a specialist to understand that we had every advantage to have closer ties with our neighbours to the South and benefit from their expertise.

Madam Speaker, that is how many of our companies have formed new types of partnership with the Americans.

The government for its part has taken another step to help us better position ourselves on the world markets of today by adopting the "Horizon: World" Strategy. This combines market development with technological growth and is based on the opportunities provided by the United States, the Pacific Rim and the European countries that will form an economic unit in 1992. The government is first of all trying to increase our exports and encourage investments and partnerships, but on an even larger scale. This strategy thus gives us a rational way to stimulate economic activity and thereby create jobs.

For that, the department is counting on the co–operation of External Affairs and Investment Canada to extend its commercial reach internationally and to promote its investments abroad.

As you see, Madam Speaker, the opposition's motion which deals exclusively with research and development in Canada is quite lacking in perspective. We simply cannot spew out some figures taken out of context to show what we have done in science and technology and hope to convince whoever wants to listen to me that we have done a wonderful job.

Madam Speaker, research and development is only one element of the ambitious and complex mosaic that is the Department of Industry, Science and Technology.

To concentrate on research and development alone would be to ignore the government's innovative efforts with respect to technology tranfers and promoting this type of activity in Canada's industrial community. With a policy that includes technology centres that manage major federal laboratories and the Technology Outreach Program, the government wishes to ensure that the assistance it gives to industry is responsive to the needs of its customers. It also wants to increase the effectiveness of these technology centres and attract greater participation by industry.

However, we must not overlook the equally crucial component of human resources. It is the human dimension that is part and parcel of some very exciting but also very practical questions, such as acquiring advanced technology. If Canada is unable to train a labour force that is versatile and capable of responding to the needs of technology, science and engineering, our scientific structure will collapse because it does not have a sufficiently sound foundation.

Without wishing to be alarmist, I would like to point out that last year, 14 per cent of Canadian manufacturers complained about shortages of skilled workers. Whether for social or political reasons, the fact remains that many young people choose to go into law or business administration instead of considering a career in science and opting for research and development. Society, over the years, may have judged those professions to be more acceptable and more attractive, but it is not the kind of attitude that will encourage Canada's talented young people to opt for disciplines that are conducive to innovation, for instance.

What is needed, Madam Speaker, is a national science culture, despite the fact that education is a provincial responsibility. I agree it will not be easy, because we have a lot of catching up to do and we already have to go the extra mile to make Canadian industry both productive and competitive on international and domestic markets. The main thing is, however, that all parties concerned agree to discuss the problem and acknowledge that the need for training a labour force that can meet the scientific and technological challenges of the future requires a common strategy.

As was pointed out in the Grandpré report on manpower adjustment, the government showed an awareness of those challenges by providing adequate manpower training and adjustment program.

Considering our financial resources, the ball is now in the court of the industrial community. It is up to industry to do its share and help us on the road to prosperity.

Madam Speaker, so this is where a seemingly straightforward Liberal motion has brought us! I must admit this is not an exhaustive overview of achievements and challenges in the field of industry, science and technology.

These issues go well beyond the purview of today's debate. However, I hope I have convinced at least some of the members of this House that our government has for a number of years been committed to helping those concerned understand what is at stake. Thank you, Madam Speaker.

• (1710)

Mr. Mac Harb (Ottawa Centre): In his remarks, Madam Speaker, the Minister mentioned the private sector to which he had asked for more funding in research and development. I shall, therefore, ask the Hon. Member whether she agrees with the Minister, when the President of Northern Telecom made a statement to the effect that the Government should not ask the private sector to invest in research and development without showing some leadership. He said that the private sector needed a good economic environment. He explained that here, in Canada, to set up a company with assets of one billion dollar, one needed to borrow $ 275 million. This amount is equivalent to nearly $ 400 million when compared with the United States and $ 675 million when compared with Japan, which implies that it would be much more easy to set up a company in Japan than here.

It is also easier to set up a company in the United States than in Canada. Therfore with much higher interest rates much higher here in Canada than they are in both the United States and Japan, the so–called level playing field just does not exist, for Japanese are in a much better position to invest in research and development than Americans and Canadians are. How could we ask the private sector to invest more when we, as the Government, are responsible for interest rates which increase every day? That is not the right environment for the private sector. I should like to ask the Hon. Member whether she agrees with the Minister when he says that the private sector should do all these things on its own without the assistance or leadership of the Federal Government.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Madam Speaker, the hon. member is asking me whether I agree with the minister when he says that the private sector should do more. Yes I do. He mentioned the benefits an industry might gain if it were to move to the United States and deal with Japan. He referred to interest rates and pointed out that they are lower in the United States. Our situation is different. Our country carries a heavy debt load and we have been trying very hard to check inflation to prevent Canadian products from losing most of their value. It is very difficult to trace all our woes back to rising interest rates. We are now attempting to introduce a goods and services tax which will be a big plus for all industries. At long last they will no longer have to cope with the famous 13.5 per cent hidden tax

which made it that much more difficult for them to sell competitive products on world markets.

Madam Speaker, we have every reason to say that the Canadian industrial sector should get directly involved because, as I pointed out earlier in my remarks, only 3 per cent of Canadian companies are doing research.

I think that more companies should do their share. I would suggest that the hon. member is wrong when he claims that our government has failed to implement measures designed to help companies get involved. I can only repeat what I said on the Friday ten days ago when we were debating another opposition motion, that no other government has done so much to bring prosperity to Canadians. This is not necessarily expressed in dollars and cents, but we did establish new guidelines and new measures to make Canadians change their approach. Perhaps I should go over them briefly since the hon. member was not there at the time. I will start with the policy on science and technology we put in place to ensure that throughout Canada, students in every province are trained to meet the needs of industry and have adequate training to meet the needs. Under that policy—as you know, there were differences in Canada and some provinces were much more aware of the need for adequate training—under that policy, this is what we have asked from each province.

We also ensured industry awareness. We organized that famous Conference on Innovation that was held in Toronto in 1988, if I remember correctly, where industry was asked to increase productivity. We also urged them to enhance their products, and asked them how high technology firms could be encouraged.

Madam Speaker, we then introduced the Strategic Technologies Program, to which a number of my colleagues refered in their speeches. Under that important program we identified the areas where Canada could be a leader, even internationnaly. As there already was good expertise in the area of information techniques, information technologies were identified. Then there is bio-technology. We also mentioned state-of-the-art industrial materials.

As far as helping universities is concerned, we put forward the matching funding program because it also allows industries to use that fantastic resource, researchers working in universities while training students. The effect of this is to train an increasing number of young engineers and researchers who really meet the needs of industry. At the same time, it enables industries to look at what is going on in our universities and realize how important that expertise is. Of course we also encourage industry to use the services of industrial research centres, Canadian research centres. We introduce the Canada Scholarship Program to which a number of my colleagues referred, because our goal is to have by 2000 all the researchers needed to meet Canadian needs.

Therefore, that scholarship program that recognizes our best students in Canada, Madam Speaker, will allow us to have the best minds, people in a position to meet our needs.

We also introduced the network of centres of excellence in which from now on researchers no longer working in isolation in their respective labs. We must not forget that there used to be duplication of the research effort. Now, there is networking. Scientists work together; they immediately share the results of their research. Giant strides will be made, and those centres of excellence are absolutely fantastic for our country because we will be at the forefront in the fields that have been identified.

I would like to tell my honorable colleague that this government is providing its continued support and encouraging major projects. I could mention, for instance, the RADARSAT Program which has for a side effect to allow high technology small businesses to emerge, Madam Speaker.

I think very few governments have put in place so many measures. It may not be obvious at this time, but I know that in the long run we will see deep changes occur in Canada and that, eventually, the industry will certainly be happy with what the government has done.

• (1720)

The Acting Speaker (Mrs. Champagne): Resuming debate. The hon. member for Saint-Laurent—Cartierville.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, "The National Research Council intends to restrict its work on basic research during the next few years, reducing permanent staff and handing

over some of its centres to the private sector", as we read in *La Presse* on March 13.

Is this how Canada intends to be competitive on international markets? Isn't it time to invest? To invest in our richest and often most neglected resource, our own people? It is high time Canada realized how important science, engineering and postsecondary education are and seriously reconsidered many of its objectives concerning education. If it wants to provide scientific and technical companies with the resources they need to be competitive in the twenty-first century, it must act now.

The government must make our young people understand the importance of jobs that require specialized training, both scientific and technical. It has a duty to support community colleges, in order to provide training early on instead of providing retraining later through skills upgrading when people are unemployed. Perhaps the government should actually launch an advertising campaign across Canada to correct people's perception of blue collar workers.

If the government was able to reverse cigarette and tobacco acceptance through advertising, it should be able to sell technical and professional training! If we do not train a skilled labour force now, and there are already shortages in some areas, it will be our own fault if we are unable to keep up with the rest of the world.

The government will have a lot of breast-beating to do, and it will only have itself to blame. The percentage of the federal budget earmarked for education has dropped from 7.3 in 1985 to 6.7 in 1988-89. Is this what the government calls preparing for the future?

[*English*]

Many years ago the Prime Minister told this nation he believed that research and development are the basis of a successful country, and I quote him: "The starting line for me is the technological dimension. Either we go into the game and become important players in this major league, or we become a nation that will, during its entire lifetime, play in the Junior B circuit. Research and development and the resulting innovation are the lifeblood of a successful economy and country".

That is beautiful, isn't it? I did say that was many years ago—in 1983 to be exact. What has really been happening since?

I think we should look closely at the government's commitment since 1984. Let us take the National Research Council for instance. In 1984, approximately $60 million was cut from NRC's budget. The following are some of the major divisions or projects that were closed or cancelled: the energy division, the Environment Secretariat, the Manufacturing Technology Institute, the Institute for Electro-Chemistry, the Cold Regions Research Institute and, as of February, 1985, 80 lay-off notices were issued as a result of the cutback.

In 1986, an additional $29 million was cut from the NRC budget. The following projects or divisions were cut: photochemistry and kinetics, electromagnetic and mechanical engineering programs, environmental toxicology programs, aeronautics, construction and physics.

At this point it was announced that over 200 jobs would be eliminated. In February, 1990, NRC President Pierre Perron told *The Citizen* that the following programs and projects would be cut: high-energy physics research to be gone by 1995; the prairie research station; the avalanche research group in B.C.; the Algonquin Park radio observatory to be leased out; tentatively, the low-speed wind tunnel at CFB Uplands; and the move of the Herzberg Institute of Astrophysics to Victoria.

[*Translation*]

With this kind of support, Mr. Speaker, how can we expect a high level of performance? It is time to wake up before it is too late. We have allocated 1.23 per cent of our Gross Domestic Product to research and development. That is half as much as what Japan and Sweden are investing. We can really be proud of our performance! At this rate, Canada's chances to keep up with the pack seem rather slim.

Just now, Canada's record is rather bad. It invests half as much as its main competitors. It has half as many scientists and engineers as the average industrialized nation. Few Canadian businessman know what science and technology could do for their respective businesses.

Science teaching in our schools is mediocre, which explains Canada's poor performance in international competitions. And as the straw which broke the camel's

back, we prefer to hire foreign specialists instead of investing in Canadians by offering them adequate professional and scientific training. In your opinion is this enough for the Government to get a passmark?

Mr. Speaker, it is urgent to correct this situation and stop looking for instant results. As Professor John Polanyi, the Canadian Nobel Prize winner, so perfectly put it, and I quote: "Considering that technology needs science, the temptation is to demand that the people who initiate projects justify them in terms of their technological applications. By constantly seeking short-term benefits, we dismiss scientific effort whose purpose is to answer fundamental questions which later on might lead to brand new applications."

Mr. Speaker, if Canada wants to remain at the forefront of technological changes, it just cannot afford to ignore basic research.

[*English*]

It is interesting that the Prime Minister has received the Weizmann Institute prestigious international award for scientific achievement after so many cuts since 1984. One wonders what prize he would have received had he increased the budget instead. The facts are, to give but a few examples, that there have been serious cuts in many departments. Let us look at a few changes from 1984 to 1985 and 1989 to 1990 in terms of millions of dollars.

Agriculture went from $347.9 million to $250.6 million. Atomic Energy went from $131.7 million to $112.3 million. Energy research and resources went from $144.9 million to $124.7 million. Communications went from $85.7 million to $48.3 million. Fisheries went from $138.8 million to $107.7 million. Transport went from $32.6 million to $27.6 million.

[*Translation*]

Mr. Speaker, when someone like Professor Polanyi who was awarded the 1986 Nobel Prize feels compelled to tell a young scientist who was seeking his advice about the planning of his own career, and I quote: "The best advice I could give a young Canadian scientist, full of talent and ambition, would be to leave Canada", I suggest we should ask ourselves some questions. If Canada allows its most talented brains to leave this country, it will never be able to bring them back.

I urge the Government to seriously consider the negative effects of its cut-backs. Does it really want to face another crisis namely, the Canadian scientific brain drain?

• (1730)

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for Science): Mr. Speaker, since the hon. member thinks it important to have technological jobs, which would answer the needs of the industry, I would ask her to put pressure on senators blocking Bill C-21. I would also like to tell her that Canada ranks amongst the countries spending the most on education, we will spend an "active" amount of 29 per cent of $20 billion on education alone.

The hon. member said earlier that the government has cut transfer payments, but the situation there is completely different. Transfer payments have been frozen. For education, the growth rate per capita stays the same, but it is frozen for two years. So you see, there are no cuts, the situation is totally different. They will resume at the same rate as the Gross National Product, at 3 per cent. I also want to tell the hon. member that since the federal government does not control transfer payments—I certainly do not want this to come somewhat as a shock to the provinces, but many of these do not make an appropriate use of the funds since they do not use them for post-secondary education. And since education comes under provincial jurisdiction, the federal governement simply cannot interfere. The hon. member shoud remember that we are dealing with an enormous federal debt while the provinces are able to stay in the black. So we do what has to be done to ensure that young Canadians receive appropriate training and education.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): I thank my colleague for her statement. First, I would like to point out with respect to transfers to the provinces and Bill C-21, which is being held up by the Senate, that New Brunswick, to take only one province, will lose $166 million a year because of C-21.

Mr. Robichaud: Yes, that is terrible!

Mrs. Maheu: If the amounts for education are not being cut but increased, how come all the provinces are screaming that they are being cut?

People like to talk about the debt with which the country is burdened. Is it not true that the United States probably has a larger per capita debt than ours?

Mr. Duhamel: At the federal level, yes.

Mrs. Maheu: At the federal level, they do not shout about it! I have nothing more to add, except that it is easy to play with words. We should look at the actual figures.

[*English*]

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I would like to make some comments with reference to the hon. member's position and remind her of something for her response. It is pretty obvious from the amount of money that has been spent on science and technology, that the government considers it to be a cornerstone of Canada's economic policy, as has been pointed out by the minister.

In referring to New Brunswick, specifically, I think it is important to recognize that we all have a responsibility to research and development. Despite the tremendous effort of the federal government, we have to ensure that others are involved in the process. The federal government cannot do this alone. We must rely on industry, provincial governments, and the universities to do their part.

I want to remind the hon. member that, indeed, the federal government has devoted a substantial amount of money to research and development. In comparison to other countries, it is estimated that more than $500 million, or about 18 per cent of our total federal research and development expenditures, will be spent by the country, as compared with 17 per cent for France; 17 per cent for the Netherlands; and right down to the United States where it is a miserly 4 per cent. I think it is important that the hon. member understand that. Perhaps she might like to reassess the situation in view of these very significant figures that are available to us.

[*Translation*]

The Acting Speaker (Mr. Ferland): I will allow the hon. member for Saint-Laurent—Cartierville (Mrs. Maheu) to give a short answer, because her time is not up.

[*English*]

Mrs. Maheu: Mr. Speaker, I will try to answer as quickly as possible.

I am not quite sure where the hon. member obtained his figures. Gross research and development expenditures as percentage of GDP is 1.32 per cent. We are the lowest ranking of countries like the U.S., Germany, France, Sweden, the U.K., the Netherlands, and Japan. For government funded R and D for gross national product, we are the second lowest of all of these countries. For government performed R and D, we are in the middle. For industry funded, we are the lowest again. For higher education, we are the second lowest. I cannot understand from where the hon. member is getting his figures, but I think perhaps they should be modified.

[*Translation*]

The Acting Speaker (Mr. Ferland): I am sorry, but the period for questions and comments is now over. The hon. member for St. Boniface.

[*English*]

Mr. Hopkins: I rise on a point of order, Mr. Speaker. In order to put some balance into this debate, I wonder if the Speaker would arrange to recognize people from both sides of the House, instead of just those on the government benches, for questions and comments.

Some hon. members: Oh, oh!

[*Translation*]

The Acting Speaker (Mr. Ferland): Sorry. I think the time is fairly well divided between both sides of the House. The hon. member for St. Boniface.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, we are debating an extremely important issue. I hope the Opposition members present in this House are discussing with rather than insulting each other. I also hope that the Canadian people, particularly parents of young and not so young university and college students, are listening to this debate. My colleagues opposite could perhaps let me explain my ideas.

As you know, the Royal Society of Canada is having a conference today in Ottawa, which is dedicated to the growing interest in science in Canada.

[*English*]

Society is alarmed because public opinion surveys show that many Canadians do not appreciate sufficiently the importance of science to our nation. They do not understand as well as they might, what it might contribute to the well-being of our country. Their meeting is to promote scientific awareness by the media and to get scientists to go to the schools to explain to our youth, those young men and women who are in universities, what it is that science does for our country and what it does, in fact, for humankind.

The greatest concern that we should have today is asking the following question and attempting to answer it. How can research and development, science and technology contribute to the furthering of the economic, social, and cultural well-being of Canada, taking into consideration problems of intolerance, conflict, war, and pollution? What can research and development do to make us respond more meaningfully, more sensitively, and more sensibly to those particular issues? How bad is the situation right now with respect to research and development, science and technology and all of those other related fields?

In today's issue of *Le Devoir* we read the following:

[*Translation*]

> Last year local firms were authorized to import 473 experts to hold high technology jobs and perform related duties.

It goes on to say:

> At the same time enrolment in science, engineering and information programs have fallen dramatically.

• (1740)

[*English*]

What is the government doing to change this course of action? Let us look at the record. This record, by the way, is taken from the Prime Minister's National Advisory Board on Science and Technology. I want to make that point clear.

In looking at gross research and development expenditures as a percentage of Gross Domestic Product, we find that Canada is the lowest among Canada, the U.S., Germany, France, Sweden, the United Kingdom, Netherlands and Japan. In industry funded research and development as a percentage of Gross Domestic Product, it is the lowest. In government funded research and development as a percentage of Gross Domestic Product, it is second lowest. In government performed research and development as a percentage of Gross Domestic Product, it is in the middle. What is higher education research and development as a percentage of Gross Domestic Product? Second lowest. What are the number of domestic patents granted per 100,000 inhabitants? Second lowest. What are the international patents granted by population? The lowest. What about advanced degrees awarded by population? We are in the middle. When it comes to scientists and engineers in labour force by population, we are the lowest among those countries. What about the number of technology intensive industries with the positive trade balance? We are the lowest. I stress that this was taken from the Prime Minister's National Advisory Board on Science and Technology.

There has been a lot of reference already to the rhetoric of the government on research and development, but one of the things I need to repeat is this:

> To keep abreast of technological change, Mulroney says Canada must double its spending on research and development by 1985—from the current 1.13 percent of GNP to at least 2.5 percent.

This was taken from *The Gazette* of March 19, 1983.

Here is another from *Where I Stand* by Brian Mulroney:

> The Trudeau government has the nerve to announce a new objective: 1.5 percent. This illustrates how our national government is illogical and how it lacks an earnest commitment toward this cornerstone of our economy.

Do remember that spending slipped from 1.4 down to 1.32. I could go on and I shall just by sharing this final quotation:

> The starting line for me is the technological dimension. Either we go into the game and become important players in this major league, or we become a nation that will, during its entire lifetime, play in the Junior B circuit.

That was Brian Mulroney in 1983. We are no longer in the Junior B circuit, we have slipped. We have slipped and we have slipped badly.

What has the Prime Minister and his government done to worsen the situation? You will all know, and I have quoted several times, that if we take the reductions that he had committed not to change—the minus 2 per cent in 1986, the minus 1 per cent in 1989-90, followed by the freeze—we are talking about a reduction for health and education of $39 billion fewer dollars. That is quite apart from the $39 million reduction for science and technolo-

gy, and I have not talked about the reductions of the National Research Council and those that are anticipated. In looking at those dollars that are going to be reduced, one must remember that it is not only for health and education, but that there are large components of those that were in fact directed to research and development. It is not just research and development per se.

The government is proud in saying that research and development should be part of a societal initiative and that government should be involved and so should the provinces and the private sector. Yes, so let us look at the negative impact that those reductions and transfer payments will have on research and development specifically.

The government has also cut training and retraining. Of course, the Prime Minister and his minister said that we would have the best training programs of the world. They are now on the shoulders of the worker and the employer. How has it helped the poor students? This is the logic of the Conservative government. It has tacked on a 3 per cent administrative fee to student aid.

[*Translation*]

Only poor people borrow money. You do not need to borrow if you already have money. What did the government do? It said: "Since you are poor and need to borrow money, we will ask you to pay an extra 3 per cent", even though it knew that the students' already heavy debt load is growing, that their tuition fees are going up every year.

[*English*]

That is quite apart from the goods and services tax's negative impact on education. We will talk about that in the next few weeks. It is quite apart from the postal subsidies that were supposed to have been absorbed. That was a promise made by a former government in the last administration that was not honoured. These have to be absorbed.

This is how the government goes about helping education, science and technology, and research and development. Well, it often brags about $240 million for the centres of excellence. We have acknowledged that it is a noble program. However, when almost $10 billion is cut, or when it is slated between 1985 and 1986, it is not very difficult to give $250 million or $500 million. I have got to tell you, it is really, really quite easy.

The government is never really willing to say that in the $240 million for centres of excellence—quite apart from the $10 billion that it will cut unless it changes its ways—that there is not one humanities or social science project. There is no project that seeks to look at Canadian society and how you and I and the workers out there will change as a result of a changing technological society. I find that deplorable and I think it says a whole lot about the government's orientation in this area.

[*Translation*]

—if we want to become more competitive, to be leaders instead of followers, we have no choice but to review what the government is doing. We must make sure that our policy is very strong and sensitive to Canadian needs.

I am asking you to urge the government to examine its conscience and see what it can change to respond with honesty and accuracy to the needs of Canadians from all parts of the country.

[*English*]

Mr. Winegard: Madam Speaker, I have just a couple of comments about the transfers from the government of Canada to the provinces.

As my hon. colleague knows, the transfers that he is talking about represent, in this year, about one-half of 1 per cent of the provincial budgets, and next year, something like 1 per cent of the provincial budgets. We are asking the provinces to spend at the same rate that we are. I would think that is a pretty responsible thing to do.

Let me take it further in terms of Established Program Financing. My colleague knows very well that these are unconditional transfers to the provinces and that there is no guarantee whatsoever that they are going to go, nor have they gone, to health care and particularly to post-secondary education. That has been one of the troubles. It is one of the difficulties with simple transfer without any strings attached.

It was not our government that did that. It was 1977 when the Liberal government made those transfers absolutely unconditional. Now the Liberals want to come back to try somehow to say: "Well, we would like to have those transfers hooked in in some way". One cannot do

that. Once it is made unconditional, then that is the way it is going to stay. There is no way now of turning the clock back.

My hon. colleague should put this funding in perspective, one-half of 1 per cent for this coming year and 1 per cent of their budgets for the following year. That is somehow going to destroy the educational and the post-secondary systems of the provinces? That is a bit far-fetched, Madam Speaker.

Let me also take the issue in terms of government spending. What my hon. colleague wants to do is to include all of the defence research spending of the other countries. There is a party that is so proud of the fact that Canada does not do anything in defence. If they are pleased with that, then at least they should take the defence expenditures out. When one does that, one finds that Canada fares very well indeed in terms of the amount of government support of R and D. The other countries stand very well, and they are on the list because they spend an enormous amount on R and D in the defence industries. We do not do that, nor do we wish to do that.

• (1750)

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I appreciate enormously the Minister's comments and questions.

[*English*]

The issue is not one of fairness. Admit the fact that the government has doubled the debt during the last five years and it has mismanaged the economy, then I will feel much less sensitive about some of the points that have been made.

The issue is that the Prime Minister said before he became Prime Minister that he would not touch that transfer formula. He said that he was going to double spending on research and development. He touched the formula. He cut it by 2 per cent in 1986. He cut it by another per cent in 1989-90 and he has frozen it for the next two years. That represents $39 billion fewer from 1986 to 1995. That is what is wrong. It is misleading. He said he would double R and D. What happened? It was 1.40 and now it is 1.32.

With regard to this red herring about factoring out the defence research, if one asks the universities whether or not they would agree with him or with me, I bet 99 out of 100 will agree with me. In fact, the figures will agree with me. I resent that we should try to play those kinds of games because it is misleading. It is totally misleading.

If anyone doubts what I have said, let us have this debate that I challenged him to on October 13, 1989. I would love to discuss those questions across Canada, in every single province, in each of the two territories, in the small towns, in the big towns, and in the cities, anywhere, anytime, with this minister or any other minister. Then we will see whether or not Canadians agree with me or with him.

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I am certainly pleased to have the opportunity to participate in the debate today. Clearly, we are dealing with some issues of vital importance to the future of the country, issues which will determine the competitiveness of our industries in the new global economy, and which are obviously going to impact upon the social well-being and the lives of many Canadians.

However, it has become apparent that the Opposition has missed the point with the introduction of this particular motion. It is a motion which clearly does not go far enough in addressing the concerns and the challenges of Canada and, indeed, all nations of the world, as we face the twilight years of the 20th century.

In previous comments, I had mentioned that the government takes very seriously its concerns about research and development. I want to remind the House that the federal expenditures in this field take many different forms. The minister responsible has already stated that Natural Sciences and Engineering Research Council of Canada, the Medical Research Council of Canada, and the Social Sciences and Humanities Research Council have taken a priority, as well as many other forms. Something that we have perhaps not touched upon enough at this particular juncture in the debate of the motion is the grants to university research councils. That is where I want to emphasize my comments today.

When we speak of research and development, of science and technology, we cannot afford to lose sight of the very vital ingredient that we must introduce into the equation. Of course, that ingredient is people, the highly

qualified women and men we need to drive the remarkable technological revolution forward.

It is the people who invent, innovate, produce, market, manage, and generate the wealth to sustain our standard of living and improve upon our quality of life. Research and development just does not happen. You have got to have people to make it happen.

We recognize, as a government, the training of our researchers, scientists, and engineers will underpin everything we do in science and technology. This is obviously where our greatest challenge exists.

Recent studies, including those done by our Natural Sciences and Engineering Research Council, indicate that Canada faces a crisis situation with a shortage of highly skilled and qualified scientists and engineers. We must recognize that to a great extent it is a problem of demographics. Both universities and industries have to replace their highly qualified personnel who are nearing the age of retirement. Unfortunately, the numbers needed to replace the researchers, engineers and professors, just simply are not there. At least that is the case in this country.

Many people would not recognize that we are second only to the United States in the number of post-secondary graduates as a percentage of the workforce. However, notwithstanding that, we do have a low rate of scientists and engineers. The proportion of students entering science and engineering has remained relatively constant at 20 per cent over the past decade. The Economic Council of Canada, among others, has indicated that the technological content of all jobs will increase. We are going to need a higher percentage of scientists and engineers in the workforce.

As the minister has indicated, as a government we do not want to waste our time pointing a finger at who is responsible. We are committed to resolving the problem. We want to build a world class supply of highly qualified personnel. That is what this is all about. We are committed to valuing scientific and engineering achievements and to providing appropriate rewards and recognitions to contributions in these fields.

It is a fact, a sad fact, perhaps, but nonetheless a fact, that the remuneration or rewards for science and technology and the engineering professions have never been on a par with of the other professions such as, the legal or medical professions. As a society, we must bear a responsibility for that and we must act now to change it. The key is to reach our young people, the young women and men in our elementary and high schools whom we will search out. We will do what we can to encourage them to become aware of how science and technology affects their lives. We need to get them excited about science and technology and we need to encourage them to pursue the wide range of career opportunities in these fields.

I am proud to say today that the government is playing a leadership role in that fashion. It is a leadership role witnessed through a number of initiatives and the Canada Scholarships Program is just one excellent example. It is about recognizing, rewarding and encouraging some of the finest young women and men—the brightest minds—we have in Canada.

I remind the House of when the Prime Minister launched the Canada Scholarships Program two years ago. He spoke about these bright minds and the commitment of our government to ensuring that the talents of these young Canadians would be appropriately rewarded and recognized.

Our objectives for the program were twofold. Not only did we want to encourage more of our top students, particularly women to pursue their studies in these critical fields of sciences and engineering, but we wanted to promote further the development of a highly qualified work force—our most important natural resource which is so necessary for strengthening Canada's future economic competitiveness.

Two years later, I am pleased to advise that the success of the program has far exceeded the government's greatest expectations. Those responsible for promoting and maintaining the program, including the many groups and institutions that have contributed so much time to its administration, should be justifiably proud. Clearly, those most responsible for the success of the program have been the scholars themselves, the talented and dedicated women and men from across the country. I believe these young people deserve our congratulations.

Last October the Minister for Science, in conjunction with the Association of Universities and Colleges of Canada, launched National Universities Week with the announcement of 3,400 Canada Scholarship winners for this current academic year. Since that time, the federal government has collaborated with individual universities

and colleges to recognize and celebrate these top students in over 70 events from coast to coast.

• (1800)

Anyone who has had an opportunity to participate in these ceremonies will know that it is much more than just a flashy opportunity for photo ops and other such frivolous things. They are a real occasion to celebrate the excellence and the achievements of these young students and to pay due recognition to them, their parents and to the people who have contributed so much to their education. The educators themselves and the contribution that they have made cannot be overstated. It all goes back to the recognition and reward factor.

It is interesting to note at this point that over the past two years we have awarded almost 5,000 scholarships worth $8,000 each over four years to Canada scholars in support of their studies. The vital aspect of these awards is that they strongly emphasize excellence and maintenance of a first class academic standing. We should all be proud of the 1988–89 scholarship holders who maintained their first class standing and qualified for the second year of the program. Our congratulations go out to them.

I want to remind you that this year there will be a significant addition to those scholarships. It is apparent now that at least one–half of the scholarships awarded are going to be awarded to women as part of our ongoing effort to address their traditional under–representation in the sciences and engineering. The Canada Scholarships Program stands as a glowing example of our government's ongoing commitment to foster excellence in science and education in Canada. Combined with initiatives such as increased support for the university research granting councils, the science and technology of public awareness campaign and the national network of centres of excellence it represents an unprecedented federal commitment. It is a commitment that I am proud to talk about, one that will ensure a competitive Canada and a prosperous and rewarding future for our young people.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I would like to congratulate the hon. member on his excellent presentation.

I keep hearing over and over again from the government side that we need to see more being done by the private sector. Is it not fair to say that the federal government has to do at least its fair share in what is happening out there by providing the proper environment for the private sector?

If you look at all the increases since 1984–85, taking inflation into consideration, the government commitment to research and development has only increased by 1 per cent. When you compare this to the private sector, even though the private sector has contributed over 10 per cent due to inflation and other factors in our society, it seems to be that the private sector is playing catch up. It does not matter what they are doing, it is an increase of 1 per cent in interest rates which has given a devastating blow to whatever they are planning.

Does the hon. member support the government's monetary policy when it comes to high interest rates in light of what has taken place in the high tech industry at this point in time?

Mr. Corbett: Madam Speaker, I appreciate the comments of the hon. member. I think it is a fair question and one in which I know business across the country has a great deal of interest.

I want to assure the hon. member that without the direction the present government is taking, without its determination to bring inflation under control, reduce and eventually eliminate the debt and bring down the deficit that we inherited from a previous administration, business will be more hampered because there will be less business coming to the country and less opportunity for the businesses of this nation to make the necessary profits to reinvest in such things as research and development.

I just want to remind the House, as I have done on past occasions, in fact just this afternoon, that we do not want to lose sight of the position we maintain, which is simply that we must all become involved in research and development and as a federal government we have a responsibility. We feel it is necessary for the provinces, universities and business to become involved. It is important for businesses to understand the importance

of the returns of research and development on their part because without their participation the business community will be on the outside looking in.

If they are not in a position to reap the rewards of this, then what good is it from our aspect as a country to encourage and promote research and development, to put into place technological innovations and development to sell to other nations in the future? This is vital to the country and falls very nicely into the program that we have embarked upon to this date.

The federal government spent $5.1 billion in science and technology in 1989 and 1990. I think it is important that we recognize in that figure that it is 4.9 per cent of the government's total 1989–90 expenditure.

The government has increased the percentage of expenditure directed toward science and technology since 1984–85 when it amounted to 4.7 per cent. That certainly underscores our determination and commitment to encourage others to participate at the same level and to ensure that the business climate is such that the profit factor will be significant and substantial. Business will recognize that it has a responsibility to invest, not only in its own future but in the future of the country that has made, particularly within the last few years, all of these opportunities open to them.

That is why we are involved in such programs as the Canada Student Program and the Canada Scholarships Program where we are encouraging thousands of students each year to come into the program.

Over the past two years alone we have awarded almost 5,000 scholarships worth $8,000 a piece. That is a significant amount of money to Canadian scholars. These are the people to whom we leave the future of this nation and these are the people we must support.

Mr. Scott Thorkelson (Edmonton—Strathcona): Madam Speaker, I am very honoured today to participate in this debate.

I find it extraordinary that hon. members opposite can stand in their places and complain about the level of research and development in this country.

Today they ring the clarion for more R and D spending. This House will recall that when it came time to implement measures to assist the research and development community in Canada, the obstructionist tactics of the NDP were exceeded only by the obstruction of Liberal members in the other place. I find it the height of hypocrisy to hear hon. members opposite criticize the level of research and development funding in this country when only a few years ago they worked so diligently against measures to promote R and D.

A world class industrial base and a world class competitive economy requires world class intellectual property protection. Intellectual property protection is essential to encourage innovation, international competitiveness and a stronger R and D component in our economy.

Systematically and thoroughly, this government has set about to amend the intellectual property statutes of Canada in order to keep them abreast of contemporary needs. One example is Bill C–57, the Integrated Circuits Topography Act, tabled in this House last December and now awaits second reading. Another example is the amendments to the Copyright Act implemented by this government in the last session of Parliament as a result of Bill C–60.

The House will recall the lively debates which took place in this House and in the other place over changes in the copyright legislation that had long ago been overtaken by the demands of new technology. Perhaps the most notorious struggle for intellectual property rights arose in the last Parliament as a result of the efforts of this government to amend the Patent Act through Bill C–22.

• (1810)

Hon. members will recall that in exchange for this improved patent protection under Bill C–22, the Canadian pharmaceutical industry undertook to increase R and D from 4.9 per cent of sales revenue in 1987 to 8 per cent of sales by 1991 and 10 per cent by 1996. The government received commitments from the patented medicine industry to invest directly in research and development $1.4 billion and to create 3,000 jobs between now and 1995.

That is the kind of solid commitment to R and D spending this country needs in order to remain competitive in the global market-place.

Judging from what we have heard today, I would have expected that hon. members opposite would be overjoyed at the prospect of such an infusion into research and development. We know that is not the case. The Liberals and the New Democrats did everything in their power to stall and undermine Bill C–22. The Liberals even resorted to using their majority in the Senate, an

appointed body, in an attempt to counteract the will of the democratically elected members of this House.

In order to relieve opposition fears, the government created the Patented Medicines Prices Review Board. This board ensures that patentees do not charge excessive prices for their patented medicines. It reports to Parliament on the price trends of medicines in general and on the manner in which the pharmaceutical industry responds to its commitment to increase R and D.

The board tabled its first annual report last winter. We have an opportunity now to compare the dire predictions of the opposition parties to what has actually happened since the passage of Bill C–22.

The House will recall how hon. members opposite argued that amendments to the Patent Act would result in higher drug prices. They maintained the bill would encourage research by multinational drug companies at the expense of disadvantaged Canadians who would have to pay higher drug prices. That was the conjecture.

The first annual report of the Patented Medicines Prices Review Board tells us that between last January when the board's guidelines for reviewing drugs currently on the market took effect and last August, price increases dropped 1.7 per cent below the change in the Consumer Price Index. Not only did the passage of Bill C–22 not lead to the explosion in the price of patented medicines as predicted by the Liberals and the NDP, but all medicines, both patented and non–patented, experienced a decrease in price relative to the Consumer Price Index.

The Liberals and the NDP argued that the pharmaceutical industry would never live up to the promises of R and D. Many members opposite had dire predictions that drug manufacturers would not double research and development as a proportion of sales. What does the report of the Patented Medicines Prices Review Board tell us? It tells us that industry research and development to sales ratio was raised to 6.1 per cent in 1988 from its level of 4.9 per cent just one year earlier. A total of 57 companies reported a total investment of $164.5 million in R and D. That is a substantial investment. That is the kind of R and D investment which will keep our country on the leading edge of technology and innovation.

According to the report, member companies of the Pharmaceutical Manufacturers Association of Canada increased their R and D to sales ratio to 6.4 per cent. The pharmaceutical industry is well on target to meet its commitments. The amendments to the Patent Act have initiated a new era for the Canadian pharmaceutical industry. It is clear from the first report of the Patented Medicines Prices Review Board that this era has not been at the expense of Canadian consumers.

We have seen encouraging signs that pharmaceutical companies in Canada are indeed rising to the challenge of securing both North American and world product mandates in research. For example, Merck–Frosst's new facility in Kirkland will be the centre of the company's research into pulmonary diseases. This arrangement guarantees both a promising future for the Canadian operation and helps the international company avoid duplication in its research efforts. This is the kind of solid commitment to R and D on the part of the private sector that will be essential if Canada is to maintain its global competitiveness. The opposition should bear this in mind when debating measures to increase R and D in this country. We have heard many times that to foster research and development we need more than just money. We need an educated and science literate workforce, technology transfer, a climate where foreign investment is welcome and we need networks, alliances and partnerships between business and research communities. We certainly need intellectual property rights that will assure innovators that they will be able to profit from their research and development.

This government knows the value of R and D to our economy. It knows the importance of intellectual property in fostering a climate for R and D. It has worked diligently to modernize and streamline Canada's intellectual property statutes. This House should recognize that work and support the government in its endeavours.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I want to make one observation to perhaps get a reaction. It seems to me as I have listened to a number of presentations that there is one particular approach prevailing. We are taking a large number and trying to suggest it does a whole lot, perhaps a lot more than it really does. We are taking one particular part of a

program that perhaps has worked quite well and we are trying to suggest that is the whole effort. Let me give a couple of examples. My hon. colleague previous to this speaker, and I want to link it to this one, pointed out the $5.1 billion expenditure. Compared to what? Of course, $5.1 billion is a lot of money.

When you look at the Prime Minister's advisory committee on science and technology, on 10 measures Canada is lowest on five. It is second-lowest on three and on two, it is in the middle. So, I ask $5.1 billion compared to what? If my hon. colleague who has just spoken really thinks that they have done particularly well, I would suggest that he does what I do. Talk to the universities, talk to the granting councils and ask them one simple question; do you prefer the generosity of the Liberals over the generosity of the Progressive Conservatives? Do you or don't you?

Some hon. members: Oh, oh!

Mr. Duhamel: While my New Democratic colleagues are laughing—be careful because I will trot out some statistics about your generosity in research and development if you like. If you like, I would be delighted.

I would like to make one final comment with respect to the successes on pharmaceuticals. You could ask the elderly and the sick if the prices have gone up. Ask them what they think. Just in case you have not spoken to them recently I will tell you what they have told me. It has gone out of sight. That is what they told me. Are they wrong? Are the elderly and the sick wrong?

Mr. Thorkelson: Madam Speaker, I would like to thank the member for his question. He talks about $5.1 billion which we spent compared to what? I would say that that is the amount of money this government spends on R D. We are comparing ourselves with other countries. We spend money on R D and industrial competitiveness in our universities to educate young students coming up. The figure is very good when you compare it with other countries and consider that a lot of other countries spend a lot of money on R D in defence. Where does it go? We spend our money where it counts the most.

With respect to his questions and comments about granting councils, the granting councils have done a very good job. I would agree that they can do more. That is not the whole picture. The whole picture or a number of things we have talked about today is fostering industrial competitiveness. It is the private sector being involved. It is education and universities and so on.

• (1820)

The Patented Medicines Prices Review Board has done a comprehensive study which shows that drug prices have not increased as much as the Consumer Price Index. I think that is significant by any measure. The pharmaceutical industry has been responsive in its endeavours to balance R and D and its need for profits to further invest. It has not gouged the consumer.

In terms of R and D there is always more that can be done and we will do more. We all want to do more and in the future that will come about.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I want to support the motion. The motion is that we have to recognize research and development in this country as being the lifeblood of a successful and prosperous economy. The motion also calls for Canada to increase its level of research and development in order to ensure economic growth.

I have listened to the debate today *ad nauseam* and I have to admit that we really have a pass-the-buck government here. It wants to pass the buck on research and development over to the private sector to the corporate agenda. It wants to pass the buck on funding for post-secondary education to the provinces.

The federal government is trying to withdraw from its statutory commitment to advance these kinds of programs in terms of a consistent and national presence in our scientific communities and our research and development. Instead, they want to pass the buck. Well, it will not work. It will not work for a number of reasons and I will get to those reasons very shortly. Before I do that, I want to say that we are living in a very complex society, an information-based society, a technology based society. We have seen the government in its attempts to deal

with what it calls the global market-place by merging Canada into a free trade agreement with the United States.

An hon. member: What a joke.

Mr. MacWilliam: While it does that and states that we must be competitive in the global market, we must be competitive in terms of economic development initiatives and technological initiatives. At the same time it kneecaps our post-secondary education institutions across Canada by withdrawing the EPF funding and stating that the provinces have to bear responsibility for it. It pulls back on Canada's commitment to research and development by stating that the corporate sector has to bear the burden. Well, you cannot have it both ways. If we are going to compete in a global economy and in a technological market out there and advance in terms of research and development, then we need a consistent federal presence and the funding up front and centre in order to do that.

In the recent budget the Minister of Finance cut science and technology support by about $40 million. The Conference Board of Canada found in its survey of businesses that in terms of research and development, corporations plan below inflation growth in spending for R and D right through until 1994. While the government is stating that the private sector has to pick up the slack, the private sector is at the same time stating that it will cut back on research and development. One of the reasons it will cut back on research and development is because it cannot find enough trained people to take on the technologically sophisticated jobs and the tasks at hand. The private sector cannot find enough educated and professional people. One of the reasons it cannot find them is because they are moving south of the border and elsewhere, where job opportunities are better. I have worked in research out west in the universities. I spent some time in the scientific community. I will tell you very clearly as someone who has trained as a scientist before I got into education, the feeling out west in the scientific community is that if you want to go anywhere you have to either move to the States or back to Ontario, because there is not the funding and the commitment there in order to build a solid presence.

I would suggest that that feeling exists in other areas of our land such as the Atlantic provinces. That is why we need a federal commitment, so we can apply funding across the country, province by province, region by region, and develop the kinds of research and development initiatives on a consistent basis that cannot be there if the federal government pulls back from its funding and allows a kind of educational balkanization of our scientific community.

We have ourselves in a catch-22 situation. The federal government wants to pull back and leave it to the private sector. The private sector wants to cut back on its commitment to research and development because it cannot find enough trained people. We do not have enough trained people because the government is cutting back more and more on educational funding.

The minister recognizes the fact that a recent study demonstrates that Canada is a scientifically illiterate country. That is amazing. The result of that study demonstrates illiteracy in terms of scientific awareness in this land. We have a long way to go. We have a lot to do to catch up in terms of Canada's position in the global scientific community and in terms of the appropriate funding mechanisms that we need in place to make sure we can become competitive and stay competitive.

If the government believes in building a bright future for Canada, it cannot do so by progressively reducing its support of our colleges and post-secondary institutions which provide the highly trained individuals that are necessary for increasing our competitiveness in a knowledge based economy. It is as simple as that.

A recent news release showed that up to 500 jobs at the National Research Council could be cut by 1995. Five hundred jobs, 500 highly trained individuals will be put out of work and looking elsewhere for work. I suggest there will be a migration of those trained individuals to our neighbour to the south, as well as other countries, that will welcome them and their expertise. Is that a commitment to research and development in this country? I suggest that it is not.

It will initiate an acceleration of the exodus of scientific talent from this land, an exodus that in my experience I have seen happen for 20 years in the scientific community.

When we look back to 1984 when the government first came to power, 486 jobs have disappeared since that time in the National Research Council. Now we find another 500 jobs are on the chopping block. That is not a

commitment to research and development. There is no future for our young scientists in Canada.

The withdrawal of the Established Programs Financing to the provinces and the regions is only going to exacerbate the regionalization and the disparities we see in research taking place in Canada.

Before the 1984 election, the Prime Minister promised—I always run for cover when the Prime Minister promises—

An hon. member: That is right. You should.

Mr. MacWilliam: I know what is going to come next. The Prime Minister promised to increase research and development spending to 2.5 per cent of the Gross Domestic Product from the 1984 level of 1.38 per cent. In essence, he would double it. Where are we since that 1984 promise of almost doubling the commitment to research and development?

• (1830)

We are below where we were in 1984. We are now down to 1.3 per cent of the Gross Domestic Product in terms of Canada's commitment to research and development. Canada is the lowest of eight of the industrialized nations.

Sweden, for example, is at 2.76 per cent of the GDP. France is at 2.5 per cent. United States is at 2.6 per cent. Germany at 2.79 per cent, while Japan is at 2.87 per cent. But Canada, 1.3 per cent. It is appalling. It is inexcusable. I submit that it is internationally embarrassing what is happening to science and scientific research in Canada. We have come through a decade of reasonably good economic growth and yet when we look at our global science and tech indicators in terms of where we have gone from there, we have not improved in any of them.

The government blames the industry for not picking up its share of the load. The Minister for Science says that Canadian industry invests only about .75 per cent of the GDP on research and development. He is right. It does.

In Japan, West Germany, the United States and Sweden, spending by the industry in terms of its share of the commitment is about 2 per cent of the Gross Domestic Product. But the problem here is very simple. It is that 37 per cent of our economy is foreign-owned. I want to say that when you are in a branch plant economy, you do not get the research and development commitment from those industries, the head offices of which are thousands of miles away. They are not located in our own country.

As we become more and more foreign-dominated, and as the free trade agreement opens up this country to foreign investment, we are going to witness a decline in the percentage of investment that the corporate sector provides for research and development in this country, simply because the branch plants here in Canada will not do the research. That will take place in other areas.

Mr. Duhamel: That is what Harvie Andre said.

Mr. MacWilliam: You are absolutely right, he did. I cannot remember exactly when he did, but I do recall the quotation. I am sure that my hon. friend, as time permits, will provide more details on it.

Mr. Harb: March 9, 1989. It is in the *Computer Dealer News*.

Mr. MacWilliam: Absolutely. Thank you for that clarification.

Here is another reason why we cannot rely on industry-based research and development. That has to do with the type of research that industry is involved with. Industry is concerned with commercial development of a scientific product. That is known as applied research. There is nothing wrong with it. There is reason for it and there is space for it in terms of the over-all commitment to research.

But applied research is conducted particularly for commercial purposes. If Canada is to become a leader in innovation and in research and development, it also requires a commitment to pure research which really is a commitment to extend and expand our frontiers of knowledge, not for commercial purposes necessarily, but that kind of frontiersman research that takes place in the laboratories and in the academic institutions of our country. It does not necessarily have a commercial application, but it is from that research that acts as a springboard for further technological, and I might add, commercial development, that the real essence of science is found.

Pure research is the essence of discovery. It is the vehicle that can provide for Canada a place on the world stage of technological advancement. It is that type of research, I submit, that is being severely hampered by a

rather myopic approach to R and D in this country, which is to leave it up to the private sector.

The National Consortium of Scientific and Educational Society has written a very cogent brief. It is entitled "Towards a Coherent Education in Scientific Research Policy for Canada". They are extremely concerned with the direction they see the government has been taking. They have made some very excellent recommendations.

First, they say that even in times of fiscal restraint spending on education and research is an investment. University and research funding must be assured, as well as student aid. If not, Canada will fall far behind its competitors. We have already seen that happening. Canada is losing ground in terms of its placement in the global scientific community.

The report makes four recommendations. One, there should be no further reductions to EPF transfers to the provinces for post-secondary education until First Ministers agree on alternate arrangements to adequately and reliably fund universities. The fact is that cutting back on those EPF transfers, cutting back on that funding to the provinces and regions leaves it to the provinces themselves to take up the slack.

In British Columbia we have a particular problem with that because for many years the provincial government has been using a lot of that funding and quite frankly, putting it into other areas of the economy. That should not be happening but the truth of the matter is that it has which will leave us dreadfully short unless they reorganize some of their priorities.

The second recommendation in the report states that funds of matching grants policy for 1990-91 should be incorporated into the base budgets and that those budgets be doubled. They make the point that the purpose of the matching grants policy which was established in 1986 was to foster university and industrial research collaboration and to increase funds for university research. They argue that the policy has been successful but it terminates in 1991. They are suggesting that that be continued.

The third recommendation is that the government increase investment in research done in federal labs. It should increase the commitment, rather than lay off 500 workers in the National Research Council. Research and development has to be encouraged and it has to be funded both publicly and privately.

The fourth recommendation is that the federal government should ensure that barriers to higher education be eliminated. The student loans program should be re-evaluated and a national system of grants should be established.

The point they make here is that the current program for student loans is simply not meeting the needs of post-secondary students. The main problem, according to their argument, is that it is in fact a loan and brings about as a result of the loan structure a very heavy student debt load. Some of our students by the time they get out of university are burdened with debts of up to $20,000. It makes it exceedingly difficult for somebody who does not have the financial ability to do so, to in fact complete an education.

In conclusion, expenditures in post-secondary education, expenditures in scientific research are an essential investment and they have to be looked upon as an investment, not only in our future but in our children's future in Canada. It is absolutely imperative that this funding level be assured so that long-term research projects can continue.

Research does not happen in four-year cycles. When a scientist develops a project and requests funding after doing all the background research necessary to get something up and rolling, he does not look at whether there is an election four years down the line. We need long-term funding that does not pay attention to electoral priorities of a government in power. We need to give our scientific community the reassurance that that funding will be there in future years.

Until they have that reassurance we are going to have a piecemeal approach to research and development in this country that will simply leave us wallowing in the mud as other nations proceed beyond us. We need adequate funding and that funding has to be ensured even during times of fiscal restraint.

• (1840)

Finally, I submit that the direction taken by this government in passing the buck to the provinces, in passing the buck to the corporate sector, is leading to a false economy, an economy that will jeopardize Canada's future in the scientific market-place.

Hon. William C. Winegard (Minister for Science): Madam Speaker, I would just like to make some comments upon the speech that I have just heard and remind my hon. colleague that in terms of educational spending, Canada is second only to Sweden in the world. An amount of 6.76 per cent of the GDP goes into educational spending in this country. That is not a bad record.

In terms of funding university research, I think the hon. member need have no fear. It is our intention to continue to fund the research in universities. There is not going to be any sudden drop in the way we handle the granting councils. We are going to continue to put that money in there.

We will also ensure that there is more basic directed research and that we have more pre-competitive research in this country. That will and must involve the alliances between government and industry and the universities. I have used, on other occasions, the pretty simple example that apparently my colleague does not recognize. When it came to all of the fundamental research that needed to be done to develop the compact disc, Sony and Phillips did all of that pre-competitive research together. When they thought they were at the applied research level and they could actually see a product down the line they split and went about their own ways.

So pre-competitive research is basic directed research. A lot of that can be done in the universities. A lot of it can be done in industry. It is quite wrong to think that industry is not a place where you can do basic research. It certainly is. The General Electric laboratories and the Bell Telephone laboratories have always done directed basic research and some of the most fundamental developments over the last several years have been from those laboratories and from the research that they have done.

What this country has to do and what we are trying to do is to involve industry by asking it to join us in some of these things so we can try and form the alliances that are so critical. It is our intention to make this country competitive. We can do that by support in the right places and that is exactly what we are going to try and do.

As I said at the beginning of this debate, there is more to this than just spending money in terms of government R and D. We have our partners. They have to help us and that is what we are asking them to do.

Mr. MacWilliam: Madam Speaker, the minister reflects upon Canada's commitment to educational spending and he floats some figures around. I believe he said 6.7 per cent, the highest level of commitment to education. But I think what the minister is referring to is over-all spending.

What we are talking about specifically here in terms of the research and development is the kind of commitment that is required for just that particular educational sector, the spending in terms of R and D in this country. The figures that he has given, I believe, will be verified as being misleading because they are referring to global spending.

I have no argument with the minister in terms of certain commercial or corporate interests carrying on basic research. I think he called it pre-competitive research. The fact is that the focus of research in terms of the corporate sector is on applied research, on the commercial application. I think the minister will agree with me.

The Acting Speaker (Mrs. Champagne): I am sorry, I must interrupt the hon. member.

It being 6.45 o'clock, p.m., it is my duty, pursuant to Standing Order 81(15), to interrupt the proceedings and put forthwith every question necessary to dispose of the Business of Supply.

The question is on the main motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was negatived on the following division:

(Division No. 208)

YEAS

Members

Arseneault	Assad
Bellemare	Blackburn (Brant)
Blondin	Boudria
Caccia	Callbeck
Campbell (South West Nova)	Catterall
Comuzzi	Dionne
Duhamel	Fisher
Flis	Funk
Gaffney	Gardiner
Gauthier	Gray (Windsor West)
Harb	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
Maheu	Manley
McCurdy	Milliken
Mitchell	Murphy
Nault	Ouellet
Pagtakhan	Parker
Phinney	Riis
Robichaud	Robinson
Rocheleau	Speller
Stupich	Young (Beaches—Woodbine)—48

NAYS

Members

Andre	Belsher
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Bosley	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Clifford	Cole
Collins	Corbeil
Corbett	Crosbie (St. John's West)
Danis	Darling
Della Noce	Desjardins
Domm	Duplessis
Edwards	Epp
Feltham	Ferland
Fontaine	Fretz
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Hudon
Hughes	Jacques
James	Jelinek
Johnson	Kempling
Koury	Landry
Layton	Leblanc (Longueuil)
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
McCreath	McDermid
McKnight	Moore
Nicholson	Oberle
O'Kurley	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Robitaille
Saint-Julien	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Siddon
Sparrow	Tardif
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Turner (Halton—Peel)
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—104	

• (1910)

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

* * *

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. Harvie Andre (for the President of the Treasury Board) moved:

That Supplementary Estimates (C), 1989–90, laid upon the table Wednesday, March 7, 1990, be concurred in.

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

Some hon. members: On division.

Motion agreed to.

Mr. Andre (for the President of the Treasury Board) thereupon moved that Bill C–70, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990, be read the first time.

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

Some hon. members: On division.

Motion agreed to and bill read the first time.

Mr. Andre thereupon moved that Bill C–70, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1990, be read the second time and referred to Committee of the Whole.

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

Some hon. members: On division.

Bill read the second time and the House went into committee thereon, Mrs. Champagne in the chair.

On Clause 2—

Mr. Gauthier: Madam Chairperson, it is customary for the opposition to ask the government for assurances that the bill in question is in its usual form with no extraordinary additions or omissions. In the absence of the President of the Treasury Board, could the House Leader give me that assurance?

Mr. Andre: Yes, Madam Chairperson, the bill is in its usual form. There are no additions that I am aware of.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some hon. members: On division.

Clause 2 agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some hon. members: On division.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall Clause 4 carry?

Some hon. members: On division.

Clause 4 agreed to.

The Assistant Deputy Chairman: Shall Clause 5 carry?

Some hon. members: On division.

Clause 5 agreed to.

The Assistant Deputy Chairman: Shall Clause 6 carry?

Some hon. members: On division.

Clause 6 agreed to.

The Assistant Deputy Chairman: Shall Clause 7 carry?

Some hon. members: On division.

Clause 7 agreed to.

The Assistant Deputy Chairman: Shall the schedule carry?

Some hon. members: On division.

Schedule agreed to.

The Assistant Deputy Chairman: Shall Clause 1 carry?

Some hon. members: On division.

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall the preamble carry?

Some hon. members: On division.

Preamble agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. members: On division.

Title agreed to.

Bill reported.

Mr. Andre (for the President of the Treasury Board) moved that the bill be concurred in.

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

Some hon. members: On division.

Motion agreed to.

Mr. Andre (for the President of the Treasury Board) moved that the bill be read the third time and passed.

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

Some hon. members: On division.

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

* * *

INTERIM SUPPLY

Hon. Harvie Andre (for the President of the Treasury Board) moved:

That a sum not exceeding $12,969,848,294.15 being composed of:

(1) three-twelfths ($8,194,188,411.50) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1991, which were laid upon the Table Thursday, February 22, 1990, except those items below:

(2) eleven-twelfths of the total of the amounts of Public Works Vote 15 and Transport Vote 25 and Treasury Board Vote 10 (Schedule A) of the said Estimates, $174,798,250.00;

(3) ten-twelfths of the total of the amount of Secretary of State Vote 15 (Schedule B) of the said Estimates, $63,468,333.33;

(4) nine-twelfths of the total of the amount of Treasury Board Vote 5 (Schedule C) of the said Estimates, $581,250,000.00;

(5) six–twelfths of the total of the amounts of Indian Affairs and Northern Development Votes L25 and 45 and Industry, Science and Technology Vote 40 and Solicitor General Vote 35 and Transport Vote 1 and Treasury Board Vote 20 (Schedule D) of the said Estimates, $404,255,500.00;

(6) five–twelfths of the total of the amounts of Communications Vote 45 and Indian Affairs and Northern Development Votes 15, L20 and 50 and Justice Vote 20 and Transport Vote 75 (Schedule E) of the said Estimates, $1,269,512,513.33;

(7) four–twelfths of the total of the amounts of Communications Votes 30, 55 and 70 and Consumer and Corporate Affairs Vote 1 and Employment and Immigration Vote 30 and Energy, Mines and Resources Votes 1, 30 and 35 and Environment Vote 1 and Justice Votes 1 and 15 and Labour Votes 1, 10 and 15 and National Health and Welfare Votes 1, 5, 15 and 20 and National Revenue Vote 10 and Privy Council Vote 20 and Secretary of State Votes 25 and 35 and Solicitor General Vote 1 and Supply and Services Vote 1 and Transport Votes 40, 45, 65 and 70 and Veteran Affairs Votes 1, 5, 10, 15 and 20 and Western Economic Diversification Vote 1 (Schedule F) of the said Estimates, $2,282,375,285.99,

be granted to Her Majesty on account of the fiscal year ending March 31, 1991.

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

Some hon. members: On division.

Motion agreed to.

Mr. Andre (for the President of the Treasury Board) thereupon moved that Bill C–71, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st of March, 1990, be read the first time.

Motion agreed to and bill read the first time.

Mr. Andre (for the President of the Treasury Board) moved that the bill be read the second time and referred to Committee of the Whole.

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

Some hon. members: On division.

Bill read the second time and the House went into committee thereon, Mrs. Champagne in the chair.

[*Translation*]

Mr. Gauthier: Madam Speaker, Bill C–71 does involve appropriations of $12 billion, and I should like to have the minister's assurance that it does not contain any unusual formula, that there are no additions nor omissions, and that the bill is in keeping with tradition.

[*English*]

Mr. Andre: The portions requested in the bill are intended to provide all necessary requirements up to and including June 30, 1990. In no instance is the total amount of an item being released by the bill. The form of the bill is the usual form, and the rights of members to criticize any item in the Estimates when it comes up for consideration remains unfettered by the particular bill.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some hon. members: On division.

Clause 2 agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some hon. members: On division.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall Clause 4 carry?

Some hon. members: On division.

Clause 4 agreed to.

The Assistant Deputy Chairman: Shall Clause 5 carry?

Some hon. members: On division.

Clause 5 agreed to.

The Assistant Deputy Chairman: Shall Schedule A carry?

Some hon. members: On division.

Schedule A agreed to.

The Assistant Deputy Chairman: Shall Schedule B carry?

Some hon. members: On division.

Schedule B agreed to.

The Assistant Deputy Chairman: Shall Schedule C carry?

Some hon. members: On division.

Schedule C agreed to.

The Assistant Deputy Chairman: Shall Schedule D carry?

Some hon. members: On division.

Schedule D agreed to.

The Assistant Deputy Chairman: Shall Schedule E carry?

Some hon. members: On division.

Schedule E agreed to.

The Assistant Deputy Chairman: Shall Schedule F carry?

Some hon. members: On division.

Schedule F agreed to.

The Assistant Deputy Chairman: Shall Clause 1 carry?

Some hon. members: On division.

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall the preamble carry?

Some hon. members: On division.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Andre (for the President of the Treasury Board) moved that the bill be concurred in.

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

Some hon. members: On division.

Motion agreed to.

Mr. Andre (for the President of the Treasury Board) moved that the bill be read the third time and passed.

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

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): A point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The hon. member for Ottawa—Vanier on a point of order.

Mr. Gauthier: I would like to ask the government leader what is going to be the business of the House tomorrow?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): My intention is to call Bill C-69 tomorrow morning.

The Acting Speaker (Mrs. Champagne): It being 7.24 p.m., this House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 7.25 p.m.

HOUSE OF COMMONS

Tuesday, March 27, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing 36(8) I have the honour to table, in both official languages, the government's response to a substantial number of petitions.

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

* * *

WILDERNESS PROTECTION ACT

MEASURE TO ENACT

Mr. Robert Wenman (Fraser Valley West) moved for leave to introduce Bill C-292, an act to provide for the protection of wilderness areas and to amend the National Parks Act.

The Acting Speaker (Mr. Paproski): Shall the hon. member have leave to introduce the said bill?

Some hon. members: Agreed.

Mr. Wenman: Mr. Speaker, the intent of this bill is to recognize the particular ecological value of wilderness. Current criteria is too demanding and cumbersome and further legislation needs to be developed to give full protection and preservation to smaller unique wilderness ecological treasures, treasures like the giant Sitka spruce of the Carmanah Valley or smaller wilderness areas in proximity to and accessible to major population where such wilderness areas, particularly old growth forests, have almost become extinct.

The bill will accommodate the concept of smaller wilderness pocket parks and is modelled after legislation in Australia and the United States.

• (1110)

The legislation would allow the federal government to move quickly to establish low maintenance, wilderness parks that would be left largely undeveloped.

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

* * *

[*Translation*]

PETITIONS

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I am today tabling a petition from Chibougamau, in the riding of Roberval, Quebec, further to the recommendations of the task force on tax benefits for northern and isolated areas.

Chibougamau is undoubtedly an isolated community and for this reason, the petitioners consider the Brunelle recommendation to be discriminatory, unfair and inappropriate for the purpose of the northern tax benefits plan. It does not encourage settlement in the North and resource development there.

[*English*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I would like to present a petition under Standing Order 36 in which the petitioners call upon Parliament to reject the report of the task force on tax benefits for northern and isolated areas. The petitioners are residents of my riding of Cochrane—Superior, mainly from the town of Manitouwadge in Ontario.

Manitouwadge is situated 75 kilometres north of Highway 17, over 350 kilometres from the town of Thunder Bay. Along with Hornepayne, it is the most isolated community in my riding below the 51st parallel. On average, food and gasoline prices are 25 per cent higher than any heavily populated area. This tax benefit is the only compensation that they have. It should not be taken away.

On behalf of the 402 petitioners who rely on this tax benefit, I must reiterate the importance of this deduction to northern communities. The government is presently studying the report and it is imperative that it reject the recommendation presented in this report.

[*Translation*]

POST-SECONDARY EDUCATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition signed by students at the University of Ottawa in my riding who, as debate on Bill C-69 begins today, want to express their disagreement with the proposal to reduce federal transfer payments for education and to urge the government to stop eroding the quality and accessibility of our universities, colleges and post-secondary educational institutions in Canada.

These students say that tuition fees and other costs, which are already high, will continue to increase because the federal government will no longer contribute its fair share to the financing of post-secondary education.

For these reasons, the students ask the government to hold a federal-provincial conference at the highest level to establish the financial responsibilities of both levels of government for post-secondary education and to end the shameful neglect of higher education in Canada.

[*English*]

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is indeed an honour this morning to rise to present two different sets of petitions on the goods and services tax, one from a group of citizens from the great province of Saskatchewan and another petition from the great community of Kamloops, British Columbia.

Both groups are pointing out their concerns for the government's goods and services tax and by and large make a case that this is probably one of the most unfair forms of taxation in that it takes in no consideration as to the taxpayers' ability to pay a national sales tax, and they ask that the Parliament of Canada reconsider its earlier decision and rescind the legislation.

CHILDREN'S BILL OF RIGHTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I wish to present a petition on another topic. A number of citizens from British Columbia point out that since one-sixth of all of Canada's children live in poverty and the numbers in many respects appear to be increasing, they ask members of Parliament to support the private member's motion No. M-254, calling upon the government to negotiate with the provinces to provide a comprehensive bill of rights for children.

This is very topical because, as you know, Mr. Speaker, that vote comes up later today asking members of the House of Commons to support a comprehensive bill of rights for children. I assume that that will be done unanimously. I cannot imagine members of Parliament saying that they do not want a bill of rights for children. However, there are surprises in this institution and we will see later today if there are any. I hope not.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise today with over 1,000 signatures of people, not only from my constituency of Mission-Coquitlam but from across the country, who have written and signed this petition in support of the children's bill of rights which is coming before the House today under Private Members' Business for a vote.

These people point out that although the over-all child population fell by almost 4 per cent between 1980 and 1986, the number of children living in poverty has increased by 13.4 per cent. The petitioners are calling upon the government and urging the government to support this bill which is supporting the United Nations bill and are calling on the government and the opposition to support it.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I rise to present a number of petitions with many hundreds of signatures from people around the country who are also supporting the private member's motion No. M-254 which we will vote on later today.

They too are concerned with the rising incidence of child poverty which shows that one-sixth of all children in this country live in poverty and the rate is rising. It is a national disgrace. The petitioners also feel that it would

be a disgrace if all members of Parliament did not support this motion later today.

RIGHT TO LIFE

Mr. Ross Reid (St. John's East): Mr. Speaker, pursuant to Standing Order 36, I have the duty to present a petition on behalf of people from all across my province of Newfoundland and Labrador calling upon this House to enact legislation that will make deliberate abortion, at any time during pregnancy for any reason whatever, an offence.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of commons): Mr. Speaker, I ask that all questions stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

MEASURE TO AMEND

Hon. Michael Wilson (Minister of Finance) moved that Bill C-69, an act to amend certain statutes to enable restraint of government expenditures, be read the second time and referred to a legislative committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, when this bill was introduced at first reading, I gave notice of my intention to rise on a point of order before the bill was called again to argue with Your Honour concerning the procedural admissibility of the royal recommendation that is contained in this particular bill. I would like to do that now, before Your Honour puts the question on second reading of the bill.

I am concerned, Sir, that this bill contains a royal recommendation and that such is not required and

should be struck out of the bill as being unnecessary. I suggest to Your Honour that we perhaps ought to use the opportunity to take a look at the propriety of using these royal recommendations because in my submission, they are included in these bills in an attempt by the government to stifle amendment by members of the opposition, amendments which members, in my respectful submission, are entitled to put.

The basis for the principles which apply to royal recommendations is to be found on page 183 of Beauchesne's, Sixth Edition, citation 596, which states:

> 596. The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the Royal Recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of the charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown not only if it increases the amount but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. This standard is binding not only on private Members but also on Ministers whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the Royal Recommendation to new or supplementary resolutions.

• (1120)

The requirement for royal recommendations for bills that involve a charge on the public revenue is not in question. It is included in Section 54 of the Constitution Act, and I am not disputing that.

I am disputing the requirement for a royal recommendation to Bill C-69, and I believe there is good reason to doubt that a royal recommendation was in fact required on this bill.

I am not going to take Your Honour through each of the clauses. Not only are they tedious reading, but I suggest that they are very difficult reading. There appear to be all kinds of formulae that I do not understand in these clauses, and I have had some legal training. I do not know how a non-lawyer is supposed to understand these either. I suppose some economists might.

As my colleague from Gloucester says, the provisions of this bill are not meant for comprehension, they are meant to confuse and I am inclined to agree with him. In any event, we can glean something of the meaning of

these clauses if we look at the budget presented by the Minister of Finance. Page 77 of "the Budget" states:

> Based on projections, this measure—

That is the cap on the Canada Assistance Plan,

> —is expected to contribute $155 million to expenditure restraint over the next two fiscal years. The actual savings will, of course, depend on actual growth rates in the provinces affected by the 5 per cent ceiling.

That is one statement and on page 78, he states:

> For 1990–91 and 1991–92, the per capita EPF transfer will be held to the 1989–90 level. This means it will grow with the population increase of each province, or about 1 per cent nationally. Federal cash expenditures will be reduced by about $870 million in 1990–91 and $1,540 million in 1991–92. In 1992–93, EPF growth will resume at the rate of growth of GNP less 3 percentage points, consistent with the announcement in the April 1989 budget. The growth of the total EPF transfer, beginning 1992–93, will not fall below the rate of inflation.

I realize that even reading this budget is a lot of economic gobbledegook, but we have said that in respect of the minister's statements before. We realize that the budget documents are an attempt to cover up the slashing and cutting that this government has indulged in with this budget, but even reading that it is possible to glean from this that these provisions in the budget, and contained now in Bill C–69 which is before us, which is the budget implementation bill in part, are reductions in the charges on the public revenue of Canada, not increases.

The minister has trumpeted in this document his savings to Canadian taxpayers by reason of the wonderful changes he is proposing in this bill. And yet this bill has attached to it, in spite of those savings and reductions, a royal recommendation. It is that that I object to. I have some authority in my submission for suggesting that this royal recommendation is, in fact, unnecessary.

I would like to turn to May's twenty-first edition at page 716 where it reads as follows, and this of course is the English authority on this point. The learned author writes:

> No special form of procedure applies to proposals to reduce existing charges, and they may be moved in the House or in Committee without the royal recommendation.
>
> A proposed reduction of a charge may consist in reducing its amount, or restricting its objects, or inserting limiting conditions, or shortening the period of its operation. The transference of a charge from the Consolidated Fund to 'moneys to be provided by Parliament', ie its transformation from an indefinitely continuing to an annually renewable charge—may be regarded as an instance of reducing the duration of a charge.
>
> The same principle applies in the case of amendments moved to a bill which abolishes or reduces a charge authorized by existing law. Amendments to such a bill, which are designed to restore a portion or the whole of the charge which the bill proposes to reduce or abolish, are in order without the need of a preliminary financial resolution.

That last paragraph was illustrated in the debate on Bill C–21 on the Senate amendments to Bill C–21 which simply reinstituted a charge on an existing bill. I do not need to go into that one again but the fact is that May supports the proposition that a royal recommendation is not required for bills that propose a reduction in the charge. In other words, a private member in this House could have introduced this bill quite properly in this House without a royal recommendation. I suggest that if it was in order for a private member to introduce such a bill then a royal recommendation is not required on that bill simply because a minister of the Crown has chosen to introduce it in this House.

Further, Beauchesne's sixth edition at page 185 confirms May's statements and states:

> 608. The previous recommendation of the Crown is not required for the introduction of a bill consolidating or amending revenue laws when the imposition of new burdens is not contemplated.

Again we have the support for this proposition in all of the authorities. Indeed, Beauchesne's refers to a decision cited in the Journals in 1908 and I have before me the ruling of the Speaker of the day on a question concerning the amendment of certain acts and clauses in a bill which reduced charges on the public expenditure. Page 608 of the Journals for July 8, 1908 states:

> A question has arisen as to whether, in view of certain clauses in the Bill, a previous sanction of the Governor General should not have been obtained and announced to the House, before its introduction, and such introduction preceded by a resolution.
>
> Having regard to the precedents in the House, I find that this has not been considered necessary. In the year 1883 a similar Bill was passed, and which now appears in the statutes for that year as Chapter 17, intituled: 'An Act further to amend and consolidate, as so amended, the several Acts respecting the Public Lands of the Dominion therein mentioned.' This Bill was introduced by Sir John A. Macdonald. No

consent of the Governor General was announced at any stage nor was any resolution passed previously to the introduction of the Bill. This seems to be a precedent exactly in point.

The Bill is a consolidating and amending Bill, and, in the case of such Bills, it is only when there are clauses imposing new burdens that it is necessary to consider those first in a Committee of the Whole. The object aimed at in such Bills is to give the old law a new and more convenient form.

Therefore, this is not a new proposition that I am putting forward. I suggest that it is one that is well rooted in our parliamentary practice and tradition. The fact is that the procedure has changed over the years and perhaps I can turn briefly to that procedure to mention certain of the changes that have taken place.

I am assisted in this by an excellent study done by the Standing Senate Committee on National Finance, to which I have referred the Chair previously, and certainly I have referred to it for my friend, the hon. government House Leader who could do some reading on this, I think, to advantage.

This ninth report of the Standing Senate Committee on National Finance presented on February 13 of this year to the Senate outlines in some detail the history of the royal recommendation as it applies to government bills in this House.

Your Honour will recall that in the years prior to 1968 the normal practice in dealing with the royal recommendation was to have a resolution introduced in Committee of the Whole that was recommended to the House by the Governor General. The debate proceeded on the resolution and Committee of the Whole and only after adoption of that resolution was a bill allowed to be introduced in this House. Indeed, just last evening Your Honour will recall we followed a very similar procedure in that prior to the introduction of the supply bills, the two of them that were introduced and passed through all stages last evening, there was a resolution first adopted by the House prior to the introduction of those bills.

Those resolutions had been recommended to the House by virtue of the messages which His Excellency had sent to this House recommending the Estimates to the House. We have the case of the royal recommendation and resolution followed in respect of those appropriation acts.

• (1130)

In 1968 the procedure in respect of public bills was changed. Instead of having a resolution, the royal recommendation was attached to the bill itself and the bill was introduced at first reading with the royal recommendation attached. The resolution stage and the preceding debate in Committee of the Whole was abolished as being unnecessary and a duplication of effort.

In this case, as now is the practice with royal recommendations, the recommendation is attached but it does not say which clauses if any of the bill impose a new tax or impose or a new charge on the public revenue. In the absence of a statement of that, I suppose it is fair game to stand and ask the minister to explain where the new charge is. But we have had all these denials of new charges; indeed, Your Honour will recall that the Minister of Finance had the nerve to stand in this House and tell us there were no new taxes in the budget. It is safe to say that in the course of that silly statement he got all kinds of applause from the other side of the House.

Some hon. members: Hear, hear!

Mr. Milliken: I am glad to see they are still applauding, Mr. Speaker, but the people of Canada did not believe him; neither did we.

Since he made the statement that there were no new taxes, why is there a royal recommendation in this bill? If this bill is reducing the charge on the public revenue, as the minister said in the budget that it is, why has he attached a royal recommendation to it? Either it is because there are new taxes or charges included in this bill, or it should not be there.

Mr. Young (Gloucester): It is because there are new taxes.

Mr. Milliken: My friend from Gloucester says that it is new taxes. I have no doubt there were new taxes in the budget. The question is whether there are any new taxes in this bill. I have examined the bill, Your Honour, and I have tried to understand it. It is clear that it reduces the increase in the charges that are already authorized by an existing law.

The Minister of Finance stated that repeatedly in his budget. I am not a gullible person and I do not swallow everything the Minister of Finance says, but it is in print in the budget that this is intended to reduce the payments by the Government of Canada.

The minister says this bill does that and it is intended to implement the provisions of the budget. If that is the case, and I invite Your Honour to read it with that in

view, then I would ask Your Honour to strike the royal recommendation from this bill as being irregular, or, alternatively, have the minister stand in the House and explain to the House that if this is to remain on the bill why it is there. If it does represent an increase in taxes the Canadian people have a right to know. Indeed they should have been told about the taxes that they are having imposed on them through this budget, which the minister covered up when he presented the budget a few weeks ago.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened with interest to my hon. colleague from Kingston and the Islands point out once again an inconsistency in terms of what the government is doing with the royal recommendations.

The hon. member has raised some interesting questions. Why do you have royal recommendations attached to legislation? It is primarily because you are going to increase taxes. We see that there is a royal recommendation attached, and that is why you attach royal recommendations, so one assumes there must be a tax increase in this legislation some place although we have not found it yet. Or, the government has simply erred and has proceeded in using the royal recommendation in an inappropriate fashion.

I would be curious to listen to the government explain why it has done this. Although the hon. member for Kingston and the Islands has been persistent in raising this question in the House, the government either fails to listen or fails to understand the point that he is making.

I wonder if it would not be appropriate to stay deliberations on Bill C-69 until the Speaker makes a ruling. That will settle it because again the point is that it is inconsistent with practices of this House. It does not make sense in terms of the traditions that we have followed over the years.

I notice the minister plans to intervene in this discussion. May I offer the suggestion that if the minister is unable to explain why this unusual use of the rules has been pursued, Your Honour in fact stay deliberations on Bill C-69 until a ruling has been made by yourself.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I am sure that in your wisdom and knowledge you have already realized that both the member for Kingston and the Islands and the member for Kamloops are totally wrong. They are imputing to us very dark motives. No minister on this side of the House would even think of such dark actions.

Not being hindered by any legal knowledge, maybe I can explain in very simple and clear terms why there is a royal recommendation in Bill C-69. There is indeed a royal recommendation on Page 1a of Bill C-69. It is there not because of the desire or request of the government or ministers but on the advice of the Office of the Law Clerk and Parliamentary Counsel because it felt that Bill C-69 and some provisions in it widen existing conditions.

According to Beauchesne's sixth edition to which the hon. member for Kingston and the Islands has referred, when such things occur a royal recommendation is necessary. These changes in the bill take place among other areas in article 2.5 (1) where conditions of previous bills are being changed. This is the very simple, clear reason why there is a royal recommendation in Bill C-69.

Mr. Douglas Young (Gloucester): I rise on just a very brief point of order, Mr. Speaker. In listening to my friend I was surprised that the government did not explain why there was a royal recommendation on the basis of increased taxation and increased revenues.

I am sure when there is a review done of the interventions made by my friend from Kingston and the Islands and the NDP House leader, the member for Kamloops, it will become clear to the Chair that not having a royal recommendation on this bill, because we all know what the government's motives are here, would be like asking a pickpocket to walk around with mittens on.

The Acting Speaker (Mr. Paproski): I want to thank the hon. member for Kingston and the Islands for his well researched intervention, the hon. member for Kamloops, the Minister of State for Finance and the hon. member for Gloucester.

I will reserve my decision, but until I rule I will allow the debate to proceed.

[*Translation*]

Hon. Gilles Loiselle (minister of State Finance): Mr. Speaker, I would like to move second reading of Bill C-69, the Government Expenditures Restraint Act. In opening debate on this Bill, Mr. Speaker, I feel it is important that Parliamentarians have a clear under-

standing of the broader perspective within this initiave must be considered.

We are taking hard but unavoidable decisions to get our financial house in order. We are dealing squarely with the closely-linked problems of the deficit and inflation—the two problems we must resolve if we are to build a secure and rewarding future for ourselves and our country.

As Canadians, we have every reason to regard our future with confidence. But we cannot expect to secure our future if we carry into it an increasing burden of debt, and increasingly heavy interest payments on that debt.

Since November 1984 the government has pursued a coherent and comprehensive plan to build a solid foundation for Canada's economic future. That plan was designed to put Canada and Canadians in a position to meet the challenge of a changing world in a stronger and more flexible way. The plan has two main thrusts. The first is to put the government's financial affairs in order, so that we can reduce and ultimately eliminate the federal deficit. The second is to put policies in place that free the creative energies of the private sector, so that it can meet the competitive challenges and opportunities of the new world economy.

• (1140)

[*English*]

Today I will be speaking about the first of these thrusts. In 1984 when we came to office—and the hon. member for Gloucester will remember—the federal government's spending was out of control. After 15 years of living beyond its means, the government had accumulated a national debt of $200 billion.

Mr. Milliken: What is it now?

Mr. Loiselle: I will explain to you in a minute.

As a result, in a very real sense Canada was saddled not with one deeply ingrained federal deficit, but two. The government was spending $16 billion more on programs and services than it collected in revenues and had to borrow the difference. That was the first deficit, the operating deficit.

The government was also spending—and that was before our time—another $22 billion in interest charges on its mountain of debt and had to borrow that amount too. That was the second deficit. Together they added up to a crushing over-all deficit of more than $38 billion.

Hon. members will be aware and will recognize that before we could begin to do anything about the second deficit we had to tackle the operating deficit and its root causes—overspending and eroding government revenues.

On the spending front, we looked first at the overhead cost of running the government itself—salaries, travel, equipment and the like—to see where we could make do with less. We looked carefully and we took action. We have reduced the number of public servants by more than 12,000. Today the Public Service is the same size as in 1973 and carrying a larger workload. The cost of running the government is less than in 1984. We have reduced the number of Crown corporation employees by 75,000, partly through privatization and partly through rationalization and by the elimination of waste and inefficiency, repairing the damage done by the hon. gentlemen on the other side. We have paid their debts.

We have brought the same discipline to spending on government programs and services. By 1987-88, through rigorous management and realignment of programs, we turned the first of the two deficits, the government's operating deficit, into a surplus. Today, instead of spending $16 billion more on programs than we take in, we are spending $9 billion less, a $25 billion turnaround in just five years. This is the work of an excellent government. If it were not for the interest we pay on the public debt left by the former administration, we would not be talking about deficits at all. We would be in the black.

About 70 per cent of this progress results from expenditure restraint and to achieve it we have reduced program spending as a share of the economy to its lowest level in almost 20 years.

Since 1984, as a result, we have slowed the annual growth of the public debt from 24 per cent to less than 10 per cent this year. Yet, for all this progress, the debt is still growing faster than the economy, faster than our ability to pay the rising interest charges on it.

The reason for this is compound interest: the interest paid on interest. If you are a saver, compound interest has a touch of magic to it. Money invested and left to grow at the rate of 10 per cent doubles in about seven

years. But, if you are a debtor, the gold turns to dust and you have to keep borrowing to pay interest on interest.

This is precisely what is happening in the case of our public debt. It has grown from $200 billion to $350 billion in five years. Fully $120 billion, or more than 80 per cent, of this increase consists of the compounding interest on the original $200 billion.

These stark figures help to explain why the government's deficit for this year is still $30.5 billion despite the spending cuts and the tax increases we have brought in. They also explain the urgency of breaking the vicious circle of growing debt and debt service costs.

[*Translation*]

There are those who say we shouldn't worry about getting our deficit down any further. I say to hon. members that I don't accept this position, for several reasons. This year alone, interest payments will cost us $40 billion—equal to $1,500 for each and every Canadian. This amounts to 35 cents for every dollar the government collects in revenue—money we could otherwise use to get taxes down, maintain existing programs and meet new priorities such as environmental protection, research and development and skills training. By reducing the deficit, we can get that 35 cents down and gain much greater control over our destiny.

Another reason is that, having turned the corner with our operating surplus, we are already a good part of the way there. Now is not the time to back off. We have done well. We need to keep on. Let's look at our record compared to other major industrial countries. In 1984 Canada's deficit on a national accounts basis was 6.8 per cent of GDP. That was 2.4 percentage points above the Group of Seven average. This country was definitely in trouble.

Mr. Milliken: That's nonsense.

Mr. Loiselle: Now it is down to 2.8 per cent of GDP, or seven-tenths of a percentage point above the G-7 average. So we dropped from 2.4 above to seven-tenths. On the expenditure side, our performance in reducing program expenditures is better than that of both the U.S. and the United Kingdom. Achieving an operating surplus is a considerable milestone. It marks a fundamental structural change in the balance of spending and revenues.

In 1991-92, we will reach another milestone when we stabilize our debt-to-GDP ratio—our debt will no longer be growing faster than the economy. We're doing well. We know we must go further.

The government's new expenditure control plan will ensure that our operating surplus continues to grow. It must, to offset the growth of the debt. And to ease the burden that interest payments impose on our freedom of action, we must continue to deal firmly with the greatest single threat to our continued fiscal and economic progress. That is the threat of inflation.

• (1150)

As Canada's strong economic expansion of the last seven years has matured, demand has increasingly outstripped the economy's productive capacity. This has fuelled inflation. A slowing economy is helping to ease the strain, but underlying inflationary pressures remain too high. Only by lowering inflation can we get interest rates down, keep them down and put the economy back on the path of sustainable expansion.

The prospects for lower inflation and interest rates depend crucially on responsible price and wage behaviour. Prices have consistently been inching upward. The consumer price index, or CPI, rose from 4 per cent in 1988 to 5 per cent last year to 5.5 per cent in January. The appreciation of the Canadian dollar in 1989 restrained inflation. Without it, the CPI would have been above 6 per cent.

On the wage side, federal government wage increases have been below the inflation rate and below the pace of wage increases in the private sector since 1984. In 1989, federal wage settlements averaged 4.2 per cent. However, the combined settlements of other levels of the public sector averaged 5.6 per cent.

[*English*]

Hon. members will be aware that provincial finance ministers have been asked to join in a commitment to responsible restraint. I urge leaders of the business community to recognize this need as well in both price and wage policies. I urge labour to do the same. Quite simply, if we try to take more out of the economy than it is capable of producing, we will all pay the price of higher inflation.

Hard experience makes clear what the inevitable cost of premature easing of interest rates would be. It would lead to an increase in borrowing and new demand pressures, leading in turn to more inflation and still higher interest rates. None of us wants to relive the nightmare of the early 1980s, the loss of confidence and the personal tragedies brought on by soaring interest rates and soaring inflation.

The budget will help—and I see that the hon. member is inclined to agree with me—

Mr. Young (Gloucester): That the budget will help? No, I don't agree.

Mr. Loiselle: —get inflation down. Our expenditure control plan, when combined with the cost cutting measures announced last December, will produce savings of $3 billion in the first year of application and almost $4 billion the following year. Over the next five years, the total savings will come to well over $19 billion.

We recognize that this restraint will require the patience and understanding of Canadians. This is why in the budget we have asked Canadians to join in a broadly based program over the next two years to reinforce our efforts to control government spending. We are doing so without raising taxes. We are putting a cap on the growth of spending for a number of major programs and freezing spending on others.

We will continue to privatize Crown corporations and sell investments where government ownership is no longer needed to meet public policy objectives. We have decided that the time has come to sell the government's shares in Petro-Canada and Telesat Canada, which will enable them to strengthen their roles in their two key sectors of the economy. The sale of these corporations will reduce the government's borrowing requirements. This in turn will reduce interest charges on the debt.

We are also continuing to move on business subsidies. Since we came to office a government priority has been to get out of the subsidy business, especially for business. We have reduced or eliminated a wide range of business subsidies. The Shipbuilding Industry Assistance Program, the Canadian Home Improvement Program, the Petroleum Incentives Program and VIA Rail subsidies all have been cut out or cut back. In the February budget we cut some more, including the OSLO oil sands project.

As well, we have substantially reduced business subsidies conferred through the tax system, including reducing capital cost allowance rates, eliminating non-regional investment tax credits, eliminating the inventory allowance, and phasing out the earned depletion allowance, to name only a few.

There are still subsidies we do provide—subsidies for social housing, agriculture and transportation. But in this budget we have firmly committed ourselves to a more businesslike approach to business assistance. With limited exceptions, federal assistance will now take the form of repayable loans rather than straight grants or subsidies.

[*Translation*]

The restraint measures, Mr. Speaker, are tough but essential to restore the deficit to its downward path and hold the line against a resurgence of inflation. Taken together, they will hold the growth of federal program spending to 3 per cent next year, well below the expected rate of inflation. By 1994-95, program spending will fall to 14.2 per cent of national income, its lowest level since the late 1960s.

For this to happen, everyone must participate in restraint. The deficit is a national problem. It demands a national solution, and transfers to provinces must play their part. But that part should be kept in perspective.

Federal cash transfers to the provinces account for nearly one-quarter of all federal program spending. Over the past five years, while we have been holding the annual growth of federal program spending to 3.6 per cent, total transfers to the provinces have been growing at over 6 per cent.

They will continue to grow next year—but, under our expenditure control plan, no faster on average than our own program spending. Bear in mind, as well, that this means a reduction in federal transfers amounting to less than one per cent of provincial revenues. We have been sensitive to the financial circumstances of the provinces. Transfers to the low-income Atlantic provinces are expected to increase about 4 per cent annually over the next two years. Transfers to the wealthier provinces of Ontario, Alberta and British Columbia should grow just over 2 per cent. I believe the people will agree that the provinces which are less well off should bear a lighter part of the national debt-reduction burden. What we are

doing may not be welcome, but it is fair, necessary and reasonable.

And what, precisely, are we doing with the legislation under consideration today? Well, Mr. Speaker, we are giving force of law to four measures announced in the February budget. For 1990–91 and 1991–92, per capita Established Programs Financing, or EPF transfers will be held to the 1989–90 level. This means it will grow with the population increase of each province, or about 1 per cent nationally.

• (1200)

Federal cash transfers will be reduced by about $870 million in 1990–91 and $1.54 million in 1991–92. In 1992–93 EPF growth will resume at the rate of growth of GNP less three percentage points, consistent with the announcement in the April 1989 budget. This change to EPF represents less than 1.0 per cent of total provincial revenues in 1990–91 and just over 1.0 per cent in 1991–92.

In addition to EPF, the federal government also provides substantial additional assistance to the lower-income provinces to help them provide public services, including health care and post-secondary education, through the equalization program. Equalization transfers have grown strongly in recent years, from over $5 billion in 1984–85 to close to $8 billion in 1989–90. They exceed EPF as the largest form of federal support in the Atlantic provinces. Equalization transfers to the lower-income provinces are not affected by the Budget. They are expected to increase about 6 to 7 per cent annually over the next two years, roughly in line with the nominal growth of the economy. EPF and equalization transfers together are expected to amount to more than $27 billion in 1990–91.

For the next two years, growth in transfers under the Canada Assistance Plan, or CAP, will be limited to five per cent a year in the fiscally stronger provinces of Ontario, Alberta and British Columbia. Other provinces—those receiving federal equalization payments—will be exempt from this ceiling on growth. They will continue to have open-ended access to federal dollars to meet any growth in expenditures eligible for cost-sharing under CAP. This measure will have a relatively small impact on the over-all support of $5.5 billion offered to provinces, and will affect only the fiscally stronger provinces. The $3 billion flowing to those provinces will be allowed to grow by some $150 million per year. As you know, Mr. Speaker, these amounts continue to represent a major federal commitment, and a major federal expenditure by any standard. Implementation of this measure provides for resumption of the present regime on April 1, 1992.

The Canadian Exploration Incentives Program, or CEIP was cancelled effective midnight, February 19, 1990. The termination and grandfathering rules are being implemented through amendments to the CEIP Act and Regulations. Termination of this program, the last remaining federal subsidy to business that was demand-driven and open-ended, is expected to result in savings of $50 million in 1990–91 and $125 million in 1991–92.

Transfers under the Public Utilities Income Tax Transfer Act for 1990–91 and 1991–92 will not exceed the 1989–90 level. This is expected to reduce projected expenditures under the Act by $16 million in 1990–91 and $34 million in 1991–92.

[*English*]

These are all moderate and necessary actions. The expenditure control plan affects a wide range of programs.

Transfers to provinces are too large not to be included. This plan will help get us over the hurdle and keep us on track to reduce the deficit from $30.5 billion this year to $28.5 billion next year, or $26.7 billion if you exclude the start-up costs of the goods and services tax.

We will cut the deficit in half to $14 billion in three more years and reduce it to $10 billion in the year after that. This will mean that within five years the government will begin to buy back its bonds and treasury bills. The country will be on a clear path of substantially reducing its debt. The challenge we face in the current testing period for the Canadian economy is not to falter in dealing with the problems of debt and inflation.

Mr. Speaker, and hon. members, if we maintain our resolve, the prospect of lower inflation is within sight and we will have the deficit under control. By persevering we will attain greater control over our destiny and greater freedom to build the Canada we want for ourselves and future generations. Let us get on with it.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, I listened with great interest to the hon. member's speech, and I must say we can always count on Tory policy to be consistently inconsistent. The minister says that inflation will be kept under control if the government pursues its policies, but yesterday, the Governor of the Bank of Canada said he lost the battle against inflation with his high interest rate policy. The Minister of State (Finance) says we can expect hard times and tough decisions, which is really incredible when we consider what they said in the fall of 1988, when the deficit and the debt were very high. At the time, the Minister of Finance told us there was no problem, that all the programs being promoted by the Conservative party would be implemented and would not cost taxpayers a cent, or should I say a nickel, Mr. Speaker.

I find it very hard to understand how the government can expect us to believe what is being said today about Canada's economy and the way to deal with the deficit and the debt, when all this is being said by the same people who, five or six years ago, told us they had the answer, the solution to these problems.

Mr. Speaker, the bill before the House today is a devastating indictment of this government, because instead of shouldering their responsibilities, they decided to pass their problems on to the provinces. Of course, this means that in the final instance, the burden will fall on those Canadians who are most vulnerable in every single province in this country. The bill before the House today implements four austerity measures announced in the February Budget. These include a two-year freeze on federal transfers to the provinces for Established Programs Financing, including postsecondary education and health care; capping federal transfers under the Canada Assistance Plan to Ontario, British Columbia and Alberta at 5 per cent for the next two years; eliminating the Canadian Exploration Inxentives Program; and finally, a two-year freeze on public utilities income tax transfers to the provinces.

Mr. Speaker, the budgetary restrictions mentioned by the minister in his speech and included in the Budget and in this bill total $ 1 billion for 1990-91, $ 1.8 billion for 1991-92 and $ 8.4 billion over the next five fiscal years. This loss of revenue is unacceptable to the provinces and to Canadians. Perhaps I should explain these figures. We are talking about billions of dollars, and it is rather hard for the average person to understand.

• (1210)

But if we start with $1,000, usually people can easily understand what a thousand dollars is. It may be a little harder to talk about a million dollars because it is a fairly big number, one that most Canadians do not handle every day. But if, for example, Mr. Speaker, we talk about a thousand million dollars; in other words, if we break a billion into a million chunks of one thousand, that makes a billion. It is almost unthinkable to talk about removing that kind of support from the most disadvantaged in all provinces through this expenditure reduction bill.

Mr. Speaker, the Liberal Party is opposed to Bill C-69 and I hope that the reasons will be clear when we have finished discussing this negative measure of the government. I know that my colleagues have several particular points to raise, but today I would like to take the time to give an overview, to discuss some points and also to summarize the Liberal Party's position.

Reduced transfers to the provinces for higher education and health care and reduced transfers to Ontario, Alberta and British Columbia for the Canada Assistance Plan (CAP) will no doubt force the provinces to raise their taxes, since the programs concerned are priorities. If all these cuts are made up for by taxes, Mr. Speaker, each citizen's provincial tax load will increase by $576 on average over the next five years, which means that the provinces will have to get the money to meet their citizens' needs, Mr. Speaker. And I would like to point out that this is happening at the same time as the federal government is getting into an area of provincial jurisdiction, namely retail sales taxes, which are traditionally provincial. The famous GST being brought in by the Minister of Finance and the Prime Minister will further restrict the provinces' ability to meet their operating requirements and especially the needs of their citizens.

Now, Mr. Speaker, we must understand that this is the third time that the Conservative government has attacked established program financing, EPF, since 1986. The Conservative government came to power in 1984 and since then, on three occasions we have seen the

Conservative approach in action. Total cuts in the EPF between 1986–87 and 1994–95, according to the projections quoted by the Minister, amount to an astronomical $ 31.1 billion, including $ 22.2 billion which should have been allocated to health care and $ 8.9 billion to higher education. It is still an incredible amount.

Mr. Speaker, should the provinces decide not to raise their taxes, they will have to make hospitals and the health care system absorb these cuts. They will have to close beds, reduce services or ask students to pay higher tuition fees and put up with overcrowded classrooms. The government does not seem to realize that it will cause all sorts of problems for the provinces. Even though the government may not be aware of these problems at the present time, such was not the case in the past. On March 24, 1982, the current Minister of Finance said in this House, and I quote: "Let us not make hospitals, universities and colleges a battleground between the federal government and the provincial governments. Let us solve those problems outside of that arena." What happened in the meantime, Mr. Speaker, that would urge the Minister of Finance, who in 1982 was so concerned with the needs of students and the ill, to ask his Minister of State (Finance) to come and defend his budget cuts today?

As for the Canada Assistance Plan, Mr. Speaker, reductions in transfers to provinces such as Ontario, Alberta and British Columbia, the richer Canadian provinces as you know, in a sense reneges on this government's commitment to helping those who are most in need, as I will explain this. The poor in those three provinces are just as poor, they are as much in need, they are hurting as much as the poor in other provinces. Moreover, and this should be emphasized, British Columbia and Ontario, supported by Alberta, are attacking before the Courts the legality of those cuts, even though they are the richer Canadian provinces because they realize what the implications are for their needs.

Let me now turn to the mining incentives program. The outright cancellation of that program less than two years after it was introduced reneged on another Government promise as the Minister of State (Forestry and Mining) stated on May 3, 1988, and I quote:

"That rate, 30 per cent, will be in force for two years, till the end of 1990. Mining areas in Canada, Northern mining areas of course will be the hardest hit by the cancellation of that program, as will small mining operations."

I know some of my colleagues intend to refer in greater detail to that program that is very important for them.

If we now look at the budget proposals, the Canadian Government put a two-year freeze on transfers to provinces under the Established Programs Funding. As we know, EPF helps provinces discharge their obligations concerning health and post-secondary education. If the Canadian Government pays an equal amount of *per capita* assistance to each and every province, as we know is the case, the freeze means that the funding will only increase in relation to the provinces' population growth, which is 1 per cent nationally, as the Minister of State mentioned.

Will Canadians who have personal health problems or who know people who must use health services in their provinces accept those cuts? I doubt it, Mr. Speaker. Again, my point is that the federal government has simply transferred the problems caused by its poor management to the provinces.

I said earlier it was the third time since 1986 that the federal government was reducing its contribution to financing for postsecondary education and health care. Before 1986, the value of these transfers was increased in direct proportion to per capita GDP growth, in other words, the economy's real growth plus the inflation rate times the population of each province. In 1986, the Tory government decided to deindex this formula by reducing the transfer growth rate by two percentage points. This is one of the deindexations they managed to get away with. There were others that failed.

In last year's Budget, the government announced it was reducing the transfer growth rate by another percentage point. This year's freeze means a further reduction of about three percentage points in federal transfers. This is intolerable, Mr. Speaker.

The freeze announced in the Budget will cause the provinces to lose about $7.4 billion in payments over the next five years. With the two cutbacks announced previously by the Tory government, the reduction in federal

payments over the period from 1986–87 to 1994–95 will total, as I said earlier, an incredible $31 billion.

Mr. Speaker, one wonders what happened to the Minister of Finance, because in 1982, he objected strenuously to cutbacks in EPF transfers, saying that the federal government should not reduce the deficit at the expense of the provinces. On March 24, 1982 he said in this House that cuts in EPF transfers "could have disastrous effects on the universities and on the colleges, on the hospital funding and on the operations of the hospitals. Let us not make hospitals, universities and colleges a battleground between the federal government and the provincial governments."

• (1220)

How can the Minister of Finance show up in the House to defend this bill which clearly contradicts what he said not so long ago? Cuts undermine the Canadian health care system just the demand for these services is growing because of our aging population and the high cost of high technology medical equipment.

Once again, the Prime Minister will go back on what he said on post-secondary education. He promised high quality education for young Canadians. His about-turn makes a mockery of the national education task force he set up. As you probably remember, Mr. Speaker, at the Conservatives' general council meeting held on August 25, 1989 in Ottawa, the Prime Minister said this: "Our government will support its fair share of the burden to make sure Canadians get a high quality education enabling them to face international challenges."

Mr. Speaker, we wonder whether the government seriously intends to honour not only the commitments it made in 1982 when it talked about cutbacks and their effects on provinces, students and sick people but also the promises made by the Prime Minister as recently as August 1989.

The Canada Assistance Plan will also suffer drastic cuts under this budget. Established in 1966, it is the cornerstone of the Canadian social assistance program. Under this Plan, the federal and provincial governments each pay half the costs of social assistance and essential goods and services such as food, housing, clothing, public utilities and household items. Social assistance also includes dental care for the poor, aid for the disabled, help for abused children in foster homes and help for children in low-income families. These are areas that will be cut by the government, which tells us that these cuts are essential to balance our country's economic affairs.

Mr. Speaker, Canadians will have to decide whether this is a fair way to deal with the federal government's problem.

The 1989 budget speech defended the clawback of family allowances and old age pensions on the pretext that the primary purpose of social assistance is to help those who need it and not those with high incomes. Now the measures taken in the 1990 Budget attack the poorest Canadians, because the poor live in all provinces of Canada. We know that figures for 1987, the latest available, show that 49 per cent of poor families and 54.9 per cent of poor individuals live in the provinces of Ontario, British Columbia and Alberta. We must also remember that welfare payments are not always enough to enable families to escape poverty. They are just enough to survive on. And that is no doubt why British Columbia and Ontario announced after the Budget was tabled that they would challenge the CAP cuts in court. Alberta supports the action taken by these two provinces.

We know that the government wanted to try to give the impression that it was continuing to help the most disadvantaged provinces by attacking the poor in Ontario, Alberta and British Columbia. But I think that Canadians can easily understand that it is the beginning. In the same way that the government last year in the 1989 Budget wanted to claw back family allowances and old age pension benefits for some high-income individuals, it is the beginning of the end of the commitment the federal government has had for years to help the needy throughout Canada.

[*English*]

I listened, with a lot of interest, to my colleague the Minister of State for Finance, especially when he talked about the coherent and global plan that the government had to deal with the problems it encountered when it came to office in 1984. I can only say that it takes a great deal of courage to stand in this House and to talk about what has gone on over the last six years as being part of any coherent activity.

For the record, when the Conservative government came to power in 1984, at the end of that fiscal year, in the spring of 1985, the public debt was at $200 billion. The public debt at the end of this fiscal year will be at

nearly $400 billion. That is what a coherent policy has achieved, nearly a doubling of the debt.

Now, we hear talk about compound interest and about a lot of problems which the government has not been able to deal with because of this inherited problem. That was not the language we were hearing when this government spoke about its hopes for the country in 1984. But even had it encountered a situation that it could not possibly have foreseen, how can we justify what has gone on last year and this year in the light of what was said in the fall of 1988?

In the fall of 1988, the total deficit was approximately $28 billion. The deficit this year will be $28 billion. So what has happened? In 1988, the government told us that it had a plan, that it was providing good management, that we were on the right track and the economy was booming. It said it was addressing the problems of the country, yet in the year 1987–88 the actual figure for the deficit was $28.1 billion. For 1990–91, according to the Minister of Finance's figures, the deficit will be $28.5 billion. We are heading in the wrong direction.

The Department of Finance is asking Canadians to bite the bullet with this particular proposal to deal with the budget restrictions, while at the same time, it is saying that things will be better down the road. This is the same Minister of Finance and the same government who, last year during the budget, told us that interest rates over the year 1989–90 would be around 10 per cent. This year, the same minister tells us in his budget that for the year 1990–91, our average interest rate should be about 11.1 per cent. Unfortunately for the Minister of Finance, yesterday the Governor of the Bank of Canada said he cannot see any easing in interest rates at all.

Most analysts who looked at the budget when it was delivered in February said that the projections of the minister were completely off base, yet all of the conclusions in that budget are largely based on that particular projection of 11.1 per cent, and further that the interest rates would drop next year. Now, the Governor of the Bank of Canada is saying something quite different from that, which is something that we will have to pursue with the Minister of Finance at some other time in this place.

Although we are talking about an act to amend certain statutes to enable restraint of government expenditures, let us talk about some government revenues. For example, let us look at some tax increases that have occurred over this period of time. Since we are talking about restraint today, it might be interesting to see whether the government has been able to restrain itself in terms of tax increases. There have been 32 tax increases in the time since this government has come to office.

• (1230)

It has eliminated the registered home ownership savings plan. It has changed marital exemptions. It has eliminated the low-income federal tax reduction. I am sure you are aware of the temporary 5 per cent and 10 per cent surtaxes, Mr. Speaker. It has deindexed tax brackets, family allowance and tax credits. There is a permanent general 3 per cent surtax. There is the clawback of the family allowance and old age security being paid to families and senior citizens of this country. The general surtax has increased to 5 per cent from 3 per cent in 1989, added on to the one I mentioned earlier. The full 5 per cent began on January 1, 1990, but of course there are no increases in taxes this year. That tax was discussed last year but just came into effect January 1, 1990.

It has raised the federal sales tax. While we have been talking about restraint in money available to take care of low-income Canadians, sick Canadians and young Canadians seeking post-secondary education, the government raised the federal sales tax that it wants to replace now to 10 per cent from 9 per cent, to 11 per cent from 10 per cent, to 12 per cent from 11 per cent. It finally wrapped it up with 13.5 per cent last year.

We have had taxes on candies and snack foods. There has been a 10 per cent tax levied on long distance telephone calls and cable service. There is now tax on paint and wallpaper, and toys. It increased the taxes on alcohol and tobacco so many times I will not bore hon. members with the details. The tax on gasoline has been increased seven or eight times.

We have a situation in which the government has talked about restraining the ability of Canadians to receive services that not only they became accustomed to but which they believe they deserve and have a right to. The government has shown again and again in the past five or six years that it has no real understanding of what is taking place in the country. For example, how are

Canadians to believe that the Minister of Finance and the government are serious when they talk about this restraint program having a salutary effect on the deficit or the debt?

The Minister of Finance predicted in his plans released in 1985 that right now the deficit in Canada should be below $20 billion. You cannot keep telling people one thing and producing another result and expect them to believe you.

I do want to point out why Canadians have every right to be cynical, particularly those Canadians who follow what the Minister of Finance and the Prime Minister say. The Prime Minister said to Canadians several weeks ago that he believed, and he stated it as a bald fact, that interest rates would go down. The finance minister in his budget states without any equivocation that the projections for interest rates this year are 11.1 per cent. As a matter of fact, he suggests that next year, as I recall the number, it should be down below 9 per cent.

We have gone by St. Patrick's Day so we cannot talk about leprechauns and wee people creeping into the system and doing the kinds of things that are throwing the Minister of Finance off base. But we have to question where the Minister of Finance is going to go now with his ally, in part, the Governor of the Bank of Canada, who is saying very clearly in his report made public yesterday that he has to achieve price stability. For the Governor of the Bank of Canada to achieve price stability he has to keep interest rates up.

I think most fair-minded people would recognize that there is absolutely no way that we can get to an 11.1 per cent interest rate this year because we would have to believe, if that were to be the case, that at some point this year we will see interest rates in single-digit figures, somewhere around 8 per cent, to be able to average out to 11.1 per cent because we are already into the year. Why should Canadians in all 10 provinces and the territories believe that the government is serious when it is talking about financial restraint when it has been proven wrong time and time again in its projections? The only thing the government has been right about in terms of delivering is that Tory times are tough times and Tory times are taxing times.

Some hon. members: Oh, oh!

Mr. Young (Gloucester): It has been absolutely right on in those kinds of projections. Tory times being tough times was said a long time before anybody ever dreamed the NDP would appear on the scene in this country. So it certainly was not taken from any one to my left.

Tory times are often tough times. One of the nice things about the opportunity we have today to discuss the presentation made by the Minister of State for Finance is that we can discuss credibility. We can look at where the government has been in the last five or six years.

I hope that as this debate continues, my colleagues on the government side will stand in their places and explain to Canadians why they should be punished for the mismanagement of the Mulroney government and the inability of the Minister of Finance to be able to project, based on his information and his own policies, the kinds of results that would give any confidence to Canadian consumers, investors or, for that matter, to people outside the country looking at what is taking place in Canada.

In closing, I want to say unequivocally that we in the Liberal party oppose Bill C-69. We believe that the government is going to have to recognize that it is getting into an extremely difficult situation with the contradictory signals that are coming out concerning its budget, particularly as it applies to interest rate projections. I do not believe that we are going to be able to look at budget restraint measures any more than we are going to be able to look at the very illusory conclusions that were drawn in that budget based on this 11.1 per cent figure.

I hope that the Minister of Finance, the Department of Finance and the government will consider seriously revising their projections and their conclusions. It seems to me that as we are asking Canadians and provinces to shoulder a burden based on incorrect information or improper assumptions that we are not doing anybody a service.

In light of what was said yesterday by Mr. Crow, let us hope that the government will recognize that interest rates are going to remain high. If the government continues with these policies, the great danger that is inherent in this bill is that it is going to create more unemployment. It is going to force more Canadians on to

welfare rolls in provinces. Provinces are going to be less able to cope with those problems because of these cuts.

The Government of Canada is creating a vicious circle out of which no one can escape. The people who will suffer the most are those who all Canadians want to protect the most—the sick, the poor, the handicapped, the people who need the services that are provided by many of those programs that are being cut by this legislation.

We are also taking a vicious cut at the young people in this country who understand now just how difficult things are going to be for them with the cutbacks to support for post-secondary education, the kinds of cutbacks we have seen in the employment programs for young people in the summer and the kinds of attacks we have seen on young people attending post-secondary institutions when there is a 3 per cent administrative charge being levied on their loan applications and that kind of thing.

It is important for all members to understand that if it is the government's policy to push Canada into a recession to satisfy Governor Crow's obsession with zero inflation, then surely we must be aware that there has to be programs to protect those Canadians who most need our help.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, this government will be remembered long after it no longer occupies the benches on the opposite side of the House. This is a government that will be remembered for oppressing the poor, women, aboriginal people and workers during its two terms in office. This government will be remembered as the government that slapped the muzzle on everyone who cried out "Enough!"—even members of the opposition.

• (1240)

It will be remembered as the government that even when Canadians told it formally, using every vehicle open to them through petitions, rallies and legislative hearings, refused to listen. This is the government that will be remembered for saying: "We've heard from Canadians". But it will also be the government that will be remembered for not saying: "But we didn't listen".

This is the government that when elected in 1984 set out to implement George Orwell's predictions in his book *1984*.

When the minister made his statement earlier he called on labour to exercise restraint in wages. He said that we do not want a return to the tragedies of the early 1980s. The tragedies in the early 1980s were not because of workers' wages. The tragedies in the early 1980s were because of poor economic policies on the part of both the Liberals and subsequently the Tories.

The early 1980s was when food banks started in this country—the first time since the depression. The early 1980s was when the labour movement had to develop unemployment action centres across this country to try and help working people, whether they were union or non-union, to struggle and survive because of bad economic policy. None of us want to go back to the early 1980s.

Mark my words, Mr. Speaker, the course on which the government has embarked is a sure blueprint to ensure that food banks will become the fastest-growing banks in the country, and that unemployment action centres will have to be revived and rebuilt to look after those who have been dispossessed and ignored by this government.

I would like to ask the minister—I am sorry he is gone—to point out to me one welfare payment that has increased the inflation rate of this country enough to have had an impact on the government's economic plan, or to have had an impact on the deficit. He asked Canadians to be patient. Then, in the next breath, he said that he would be putting a cap on government spending. I think that is shocking. It is shocking because the cap he is speaking of is the cap on funding for the poor. It is again the heavy hand of the government pressing on the poor, the unemployed, students, the sick and the elderly so that it can manage its budget and reduce the deficit in this country.

Mr. Parker: Right-wing policies.

Ms. Langan: The hon. member says that those are right-wing policies, and he is absolutely right. Right-wing policies are the kind of policies that ensure the government will help its friends at the same time as it screws the poor.

I would like to address the title of this bill. The act may be cited as the Government Expenditures Restraint Act. If I thought for one minute that it was a Government Expenditures Restraint Act and not an act to oppress the

poor, I might not be so offended by the title. We must keep in mind, as we discuss Bill C–69, which is an omnibus bill, that it shows expenditures and restraint will take place only on the backs of the poor, students and the sick.

This bill is not designed to cut spending of the government in ways that are meaningful. This act is designed to take back commitments given to the people of Canada, commitments which this government has made for years to these people.

If we look at Clause 2 of the bill we see it refers to amendments to the Canada Assistance Plan. Let us talk about definitions. "Assistance" under the Canada Assistance Plan is defined this way:

> —aid in any form to or in respect of persons in need for the purpose of providing or providing for all or any of the following:
>
> (a) food, shelter, clothing, fuel, utilities, household supplies and personal requirements ("hereinafter referred to as "basic requirements"),
>
> (b) prescribed items incidental to carrying on a trade or other employment and other prescribed special needs of any kind,
>
> (c) care in a home for special care,
>
> (d) travel and transportation,
>
> (e) funerals and burials,
>
> (f) health care services,
>
> (g) prescribed welfare services purchased by or at the request of a provincially approved agency, and
>
> (h) comfort allowances and other prescribed needs of residents or patients in hospitals or other prescribed institutions;

"Welfare services" is defined as:

> —services having as their object the lessening, removal or prevention of the causes and effects of poverty, child neglect or dependence on public assistance, and, without limiting the generality of the foregoing, includes:
>
> (a) rehabilitation services,
>
> (b) case work, counselling, assessment and referral services,
>
> (c) adoption services,
>
> (d) homemaker, day–care and similar services,
>
> (e) community development services,
>
> (f) consulting, research and evaluation services with respect to welfare programs, and
>
> (g) administrative, secretarial and clerical services, including staff training, relating to the provision of any of the foregoing services or to the provision of assistance,
>
> but does not include any service relating wholly or mainly to education, correction or any other matter prescribed by regulation or, except for the purposes of the definition "assistance", any service provided by way of assistance;

That is a long explanation of what those three words "assistance" and "welfare services" mean. In fact, if one looks at what is contained in Bill C–69, one will see a total departure from what the spirit, the intent, and, indeed, the definition of assistance and welfare services is.

If we look under the Canada Assistance Plan at the content of the budget and therefore the content of Bill C–69, we see that the federal government has provided funds to the provinces and the territories on a 50–50 basis, cost–shared for social assistance and social service programs. Social assistance, as I said in basic terms, is income assistance such as welfare. Social services include counselling services, rehabilitation services, homemaker services and child care.

Until this budget, the program had been an open–ended one. There were no ceilings on the amount of shared dollars the federal government was willing to match. Indeed, the measure was need. It was hoped that the provinces with the incentive of 50–50 funding would in fact make sure that those people in each province who required these services would receive them. For every dollar spent by the provincial governments, the federal government would pony–up a dollar in kind.

With the exception of Saskatchewan, all provinces have increased their spending on Canada Assistance Plan cost–shared programs in 1988–89. A 5 per cent growth ceiling for the next two years has been imposed by Bill C–69 on the three wealthiest provinces—British Columbia, Alberta and Ontario. All the other provinces and territories are exempt. A saving of $155 million is projected over the two–year period, but is dependent on the actual spending of the three provinces affected.

We have to think a little about what we mean when we say that we are capping the three wealthiest provinces. In fact, British Columbia, the province from which I come, is a wealthy province because, first, it has over taxed its

citizens. Second, it has not spent the money that has been required to cover the intent of the Canada Assistance Plan, or the national intent of ensuring that people who are in need in fact will receive what they need.

• (1250)

Approximately 46 per cent or 861,000 people receiving assistance under the Canada Assistance Plan live in the three provinces whose payments are being limited to 5 per cent. Given the finance minister's predicted increase in the levels of unemployment—and we have to think about that—there is every reason to believe that these numbers will increase. We also have to think about Bill C–21 which is going to limit the number of people able to collect unemployment insurance.

Choices by these provincial governments will have to be made on how to handle the increased demand for welfare assistance and social services knowing full well that they will have to take on the full costs once they have reached their cut off.

Ontario has led the way in the average growth of spending under CAP at about 14 per cent, with Saskatchewan and B.C. at the opposite end of the scale at between 2 per cent and 3 per cent, hence my comments about the inadequacy of the welfare program in British Columbia. As the previous speaker said, the governments of British Columbia and Ontario have in fact taken this to the courts with the support of Alberta.

The way things stand now, Ontario will most likely be unwilling to expand existing services or increase its share of funding for native services without the matching federal dollars. Given the rate of inflation and a rise in the cost of providing welfare services due either to a greater demand or a greater delivery cost, these provinces will have to review the priority they give to these programs. They will have to decide if they are willing to increase provincial taxes to provide services at existing levels, or if they will reduce the social services they are providing. I hope, but I do not feel any confidence, that it will not be the second.

Obviously, this can be done in a number of ways. But the one which is likely to take place is the tightening of eligibility requirements, or reducing benefits.

While the government fails once again to introduce a national child care program, it is forcing Ontario, British Columbia and Alberta to choose whether to provide programs and services to those in need or whether to provide child care. What a choice.

On the one hand we have single parent mothers desperate to get out of the welfare system. On the other hand, if that mother goes to work, there is no child care. What kind of trap is this person caught in? On the one hand, she is caught in the welfare cycle. On the other hand, she does not have the support of child care to get out of the cycle and into a decent paying job.

We feel expenditures for child care may be decreased to compensate for the 5 per cent ceiling. Again, the unemployed parent is caught in the squeeze.

Recently we have been bouncing Bill C–21 back and forth. In the study by the Canadian Labour Congress of the effects of UI changes under Bill C–21, it was found that 375,000 beneficiaries will have exhausted their claim before finding a job because of reduced entitlement under the new law. A provincial breakdown makes it even more shocking. Persons not qualifying due to higher entrance requirements and persons losing benefits due to reduced benefit periods in the three provinces are as follows: in Ontario, 117,360 people; in Alberta, 46,450 people; in British Columbia, 59,710 people. A portion of these people will seek social assistance from their province while another portion will find employment, most at low-paying jobs.

The finance minister's projection of increased unemployment levels in the next two years is true. He is predicting 8.2 per cent and 8.5 per cent unemployment in the next few years. Yet the rest of his policies is creating a tightening of the very programs these people will need.

More people will find themselves exhausting or not qualifying for unemployment insurance benefits. We can expect the demand on social assistance and the number of working poor families to increase, and increase dramatically.

While the government continues its crusade to erode Canada's social programs, at the same time it is bringing in legislation to disqualify Canadians from unemployment insurance benefits. It has not brought in child care. It has limited the ability of the provinces to cope with increasing demands for social services. This is not what one would expect when one talks about fairness, when one talks about the kind of Canada that is concerned with all people, the kind of Canada that ensures that everyone has an opportunity to survive.

Social assistance services cannot now meet the demands of low-income Canadians and their families. We have witnessed the rise, as I said earlier, of the number of Canadian families forced to go to food banks. Forty per cent of all food bank users are children—not your child or children, Mr. Speaker, not the children of the members opposite, not the children of members on this side of the House. Very sadly, 40 per cent of the users of food banks are children.

Why is that happening? It is happening because the responsibility of the federal government to provide enough assistance to the provinces is not being undertaken. In fact, the assistance is inadequate. This government has done nothing to help low-income Canadians and has, in fact, abandoned its responsibility to ensure that social assistance programs are available to all of those in need.

I spoke about the fact that welfare rates are not adequate in my home province of British Columbia. I also mentioned why, in my view, this is the case. The British Columbia government is strangling the welfare system and, therefore, is a have or a wealthy province.

I would like to read for the record some statistics that support my claim. In its 1989 report, the Social Planning and Research Council of British Columbia outlines that the shortfalls welfare recipients face each month represent the difference between welfare payments received and the amount calculated to enable an individual or family to fully participate in their community.

The first statistic is for a single male. The shortfall is 83 per cent. The person receives $430 but needs $787. For a couple with no children the shortfall is 59 per cent. The couple receives $732 in welfare payments. They need $1,164. For the single mother with one child the shortfall is 44 per cent. She receives $815, yet needs $1,176. For the single mother with two teenagers the shortfall is 66 per cent. She receives $986, but needs $1,633. For the couple with an infant and toddler the shortfall is 69 per cent. That couple receives $1,038, yet needs $1,753.

These examples are hypothetical, but they are based on provincial averages. They do not take into account the housing crisis in the lower mainland and many other communities in British Columbia that make life for social assistance recipients even more difficult.

The Canada Assistance Plan represents the principle that regardless of where one lives in Canada, whether it is on Vancouver Island, in the lower mainland of British Columbia, in Fort St. John, Yellowknife, Whitehorse, Edmonton or a farm in the rural part of the prairie provinces, Regina—

The Acting Speaker (Mr. Paproski): The hon. member will have 20 minutes remaining in her speech should we come back to this bill after three o'clock.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

STUDENT EMPLOYMENT

Mr. Bob Wood (Nipissing): Mr. Speaker, I rise today to point out the deplorable state of summer employment programs for our post-secondary students.

This government has cut funding to the SEED program, the summer employment program for students, to the tune of $41 million or 35 per cent for the next year. Since 1985 we have seen the government's contributions to this program steadily decline from $149 million to $71 million. The number of jobs created has declined from over 87,000 to 71,000 over the last four years. These further cuts will mean that another 24,000 students will be without a summer job this year.

All this seems rather odd when we consider that since 1985, tuition fees have nearly doubled and living expenses have skyrocketed. With the cut-backs to transfer payments, we can expect this trend to continue. Yet, the SEED program provides students with only 10 weeks of work when they are available for 16 weeks, at an average hourly wage of $5.73.

It is also disheartening to see that the Minister of Employment claims that the unemployment rate for these students is at 4.7 per cent when Statistics Canada tells us that it is at 10.2 per cent.

If there was any doubt that university and college students have the lowest disposable incomes of any segment of society, the government, through its actions has made this very clear. Students do not want handouts. All they want is a decent summer job.

Mr. Speaker: The hon. member's time has expired.

* * *

[*Translation*]

FILM INDUSTRY

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I should like to congratulate Montreal cinematographer Denys Arcand for the success of his latest production, *Jésus de Montréal*, which ranked him among nominees for best foreign film at the 62nd Oscar awards presentation last night in the United States.

After walking away with last year's Cannes Festival Jury and Ecumenical Prizes and recently receiving 13 of the Academy of Canadian Cinema and Television Genie awards, Mr. Arcand has gained international recognition as a result of his film being among finalists at the American Oscar presentation.

The competence, excellence and creativity of the artist extend beyond our borders. We stand very proud, as do all men and women who work in the Canadian film industry. These awards inspire young Canadian film producers and encourage them to strive for international appreciation.

Again, Mr. Speaker, my heartiest congratulations to Mr. Denys Arcand.

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[*English*]

LITHUANIA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I hope I speak on behalf of all members when I say that in Lithuania, President Gorbachev is teetering on the edge of forfeiting his most valuable asset, which is his reputation as a man of peace.

The people of Lithuania, in a free and fair election, elected a government, many of whom are communists, that seeks to re-establish Lithuanian independence. Instead of calling this process invalid, which it is not, President Gorbachev should sit down with Lithuanian President Vytautas Landsbergis and begin to negotiate the implementation of independence.

This will take time, and Lithuania should be prepared to take the time to accommodate Soviet economic and security interests in return for recognition. But they cannot negotiate with someone who does not recognize their right to declare their independence in the first place. Instead, they are forced to demonstrate rather than negotiate their independence, which only provokes the Soviet Union. Yet this provocation is of Mr. Gorbachev's own making by his refusal to negotiate.

I therefore call on the Soviet Union to negotiate, to respect the democratic will of the Lithuanian people, to renounce the use of force, to give full freedom to the international press in Lithuania, and to declare an end to arrests of Lithuanian deserters from the Soviet Armed Forces, as it is well known that Lithuanian conscripts were often in fear of their lives even before recent events, and would be even more so now.

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[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on the airwaves of Radio-Nord in Noranda, a journalist discussed regional development with the Liberal Member for LaSalle—Émard who was visiting Noranda on March 12 last. In reply to the journalist's comment: "When we are told that a lot of money is being spent in regional development, we remain quite sceptical", the Liberal Member said: "You have every reason to be sceptical with Tory Governments which never keep their words."

Mr. Speaker, this Liberal Member is unaware of the progress made in the Canada-Quebec Subsidiary Agreement on Regional Economic Development which was signed on June 9, 1988. I should like to emphasize that on March 12, the Conservative members respected this agreement and that this Government had already spent under this agreement $259.3 million, or 58.9 per cent, and the Quebec Government $7.6 million, or 2 per cent. As to the Abitibi-Témiscamingue area, it has already received a portion of that budget.

[*English*]

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today a delegation of Cree and Inuit from Great Whale River are in Ottawa. In a boat they built for the occasion, they will journey to New York City to protest the James Bay II hydroelectric project which would flood 5,000 square kilometres of land, contaminate water and fish with mercury, damage marine mammals and migratory birds, and hurt the economy and lifestyle of Cree and Inuit people in northern Quebec.

Following the federal court's decision on the Oldman dam, the federal government should exercise its powers and hold public hearings before it is too late. This government must start practising what it preaches on sustainable development. Federal public hearings to study the environmental and social impacts of James Bay II are a must!

We do not want to see the Canadian northern environment destroyed to feed the insatiable energy demands of south of the border.

* * *

SOVIET JEWRY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, today the Jewish Students' Network and NAHON, a group of 200 students from all across Canada are in Ottawa for their annual lobby day.

The group, led by Stephen Granovsky, Dan Ronen and Pam Scheininger are meeting with many members of the House of Commons. This year there is an urgent call for action due to the large backlog of Soviet Jews seeking to have exit visas and the recent rise in anti-Semitism.

Recently, we heard of the suspension by Hungarian airlines of all flights to Israel due to threats of terrorism by various extremist pro-Arab groups.

The Government of Canada has always supported the cause of Soviet Jewry and I, as chairman of the Canadian Parliamentary Group for Soviet Jewry, along with all members of this House, call on the Government of the Soviet Union to speed up the process of emigration by permitting direct passage of Jews to Israel and to exploit all possible safe exit routes to the Jewish homeland.

I commend the work of Network and NAHON for bringing this issue to the House of Commons and to the people of Canada and I join with them in renewing our pledge to the Jewish people of the Soviet Union.

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FISHERIES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the fish process workers at Cape Breton feel betrayed. They were told that the situation at the Cape Breton fish plants was not going to be that bad. First, they were told that in addition to the saltfish operation, North Sydney would have the overflow fish from Louisbourg. This was going to mean that the wet fish operation was going to be able to continue in North Sydney.

Now National Sea states that it is going to close Louisbourg from the end of July until November, three months. What overflow is there going to be now for the people in North Sydney? The fish plant operators in Cape Breton are very concerned about further lay-offs adding to the already bad work situation on Cape Breton Island. The fish plant workers are going to Halifax to protest and they ask the government to make it known to National Sea to come clean with the workers, to give them some security, to stand by their word and not change their minds from day to day and to provide the fish plant workers in Cape Breton with fair treatment so that they can get on with their lives and raise their families accordingly.

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AGRICULTURE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, prairie farmers are in a desperate economic plight. Their livelihoods are being ravaged as the result of unfair grain export subsidies by the Europeans and the Americans. Everyone agrees that an emergency aid package of at least $500 million is urgently required if farmers are to be able to seed this year's crops.

Yesterday, prairie agriculture ministers met to discuss this crisis. They indicated that the emergency aid package is a federal responsibility because the causes of the immediate problem arise from an international situation over which the provincial governments have no influence.

Prairie farm families are distraught. Their very survival hangs in the balance while the Deputy Prime Minister and his provincial counterparts continue to wrangle behind closed doors about who should pay what.

We call on the federal government to set aside its differences with the provinces over this issue and make an immediate payment before seeding to ensure farm families have a chance of survival.

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[*Translation*]

LITHUANIA

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, the recent events in Lithuania are causing much anxiety and raising a great many questions among the Canadian people. The men and women of Lithuanian descent in my Outremont riding are no exception and they have asked me to appeal to the Canadian Government and people and urge them to support the stand taken by the Lithuanian Government over the past few days.

Apparently, the independence of the country is at stake.

• (1410)

[*English*]

Canada's recognition of that government will have a profound effect at this crucial time and will be fully consistent with Canada's proud international record.

[*Translation*]

Mr. Speaker, I am pleased to add that the Secretary of State for External Affairs expressed the very deep concern of the Canadian people over the increase in military activity during the past few days in an official letter which was addressed and delivered today to the Minister of Foreign Affairs of the USSR.

[*English*]

In concluding his letter, Mr. Clark urged that a process of constructive and peaceful dialogue be established, one which would reflect the legitimate aspirations of the Lithuanian people.

MEECH LAKE ACCORD

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, as a New Brunswicker and an Atlantic Canadian, I was pleased and proud that a fellow traveller, Premier Frank McKenna, seized the initiative to deal with the despairing difficulty of holding our nation together.

Premier McKenna understands full well the dangers currently besetting our frail confederation and the sickening consequences should the confederation crumble. It is unfortunate that another in the region is prepared to risk—for questionable motives—the country.

Surely all Canadians of good will, worthy of the name, will fervently pull together to ensure that the prejudice and intolerances of yesterday will be discarded and buried today so this magnificent country will continue to thrive, reinforcing our determination to honour the trust placed in our hands by our forefathers to pass on intact to our children and theirs.

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VETERANS AFFAIRS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, this House and Canadians everywhere have been most critical of the government's job-creation policies, and with great justification. Now we have further proof of the illogic that is so pervasive in this Cabinet.

Over the next three years, 50 positions, primarily clerical, will be transferred from the Veterans Affairs office in Toronto to Kirkland Lake. The alleged reason is the difficulty in attracting qualified people to the Toronto office. But the only people who will qualify for those jobs in the north are precisely those people who occupy the jobs today. There are no new jobs being created. The people who hold them do not want to lose them.

New jobs are not created in town A by depriving people in town B. Equally important is what will happen to the level of service in the Toronto region office and the 87,000 veterans it serves. Many ask how their services will be maintained by an office that will now be several hundred kilometres away. Veterans will suffer extreme hardship.

On their behalf, I call on the Minister of Veterans Affairs to reconsider this regrettable decision to relocate.

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PARKS CANADA

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I rise today, as I would have risen last week had I been here, to join with the Secretary of State for Canada, the Legislative Assembly of Nova Scotia, and others calling upon the minister responsible for Parks Canada to immediately rescind the policy that excludes those who are not white Caucasian males from participating in historical animations at Parks Canada sites, in particular at the Halifax Citadel.

One appreciates Parks Canada's commitment to accurate historical re-enactment, but surely it is a misguided interpretation of the concept to suggest that the ability to act should be assessed on the basis of the same discriminatory guidelines that existed in the British army a century and a half ago. Surely it is more appropriate to apply the values of 1990 and the employment practices they imply.

I would suggest that unless Parks Canada can arrange to bring back the original Highlanders and artillery men, they should recognize that substitutes are at best actors and that they should be fairly chosen.

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COMMUNITY AWARENESS WEEK

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the week of March 25 to 31 has been proclaimed Community Awareness Week in Prince Edward Island.

This week allows individuals in their communities to reflect upon the importance of voluntary organizations and to recognize their significance.

Volunteer activity in my province is part of our way of life. This is why I believe our communities flourish. There are over 200 volunteer residents who serve on community councils in my riding of Malpeque.

Moreover, there are over 400 organizations, clubs and associations on the Island that promote volunteer activity and community awareness.

Groups such as industrial commissions, community advisory boards, recreation and service organizations, to name a few, all share in creating communities that are unique.

I know that all members will join with me in commending my province for recognizing the services of those individuals and organizations during Community Awareness Week.

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STATUS OF WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, women in Newfoundland, who have had 100 per cent of the core funding of their seven women's centres cut, are still occupying Secretary of State offices in Newfoundland. They were there yesterday, all night, and they are still there. Women in Vancouver are holding a solidarity protest on the west coast. They demand, and the New Democrats demand, that core funding to all women's centres be reinstated immediately. They demand an immediate meeting with the Secretary of State and the Minister responsible for the Status of Women.

Why do women in this country have to occupy government offices day and night, from sea to sea, in an attempt to be listened to by this government? And why is the Tory government still ignoring them?

When will the Secretary of State meet with these women? When will the Minister responsible for the Status of Women meet with these women? When will this government stop trying to silence the voices of women in this country?

ORAL QUESTION PERIOD

[*English*]

FISCAL POLICY

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance. The Prime Minister recently said that interest rates in this country would be going down. The finance minister in his budget stated clearly that the rate would be reduced during this year. However, yesterday, the Bank of Canada Governor in his annual report indicated that he was totally committed to his high interest rate policy.

My question to the Minister of Finance is very simple. Does the Minister of Finance still stand by the projections and conclusions contained in his budget in light of clear evidence that his interest rate projection was very unrealistic?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the interest rate projection as it affects the deficit for fiscal 1990–91 relates to that fiscal year, and that does not start until this Sunday. We still have 12 months to go before we see what the impact of interest rates will be.

What the Governor of the Bank of Canada said yesterday is that he is totally committed to a policy which will reduce inflation in this country. Once we get inflation down, we will see reductions in interest rates. That is perfectly consistent with everything that I have said both publicly as well as in the budget documents.

[*Translation*]

Mr. Douglas Young (Gloucester): Surely he must recognize now that the outlook and economic indicators contained in his budget were obviously wrong. My question is this: In view of the fact that almost everybody agrees that his projections as far as interest rates over the next 12 months are concerned are not realistic, does he still claim that his budgetary conclusions are right and reflect the true reality?

[*English*]

Hon. Michael Wilson (Minister of Finance): Yes, I do, Mr. Speaker. I feel that the projections that we put in the budget were realistic projections. As I indicated at that time, they are consistent with the projections that a private sector economist group had put together. We monitor this group on an ongoing basis. Our projection for this year, as I recall, was one tenth of one per cent higher than the average of a group of private sector economists. As I indicated earlier, we still have the full year ahead of us. Let us not draw any sharp conclusions here.

I can remind the hon. member of 1986 when the same type of question was being asked by members on the Liberal side. We had an interest rate projection, I believe, of 9.5 per cent. Interest rates were about 12 per cent at the time. In fact, we came in with an average rate of 9.1 or 9.2 per cent. So we still have 12 months ahead of us.

Mr. Douglas Young (Gloucester): Mr. Speaker, looking at the last 12 months, the minister at this time last year was telling us we should be enjoying interest rates at about 10 per cent at this stage of the game.

I want to ask the Minister of Finance, in view of the fact that the Bank of Canada Governor has stated that his high interest rate policy so far has failed to control inflation to the extent that he would like to have it controlled, in view of the fact that he is going to require high unemployment rates to be able to do better, as he has promised to do in 1990, and in view of the fact that in his own budget documents the minister has predicted higher unemployment in Canada in the next 12 months and a slower rate of economic growth, is his government going to allow the Governor of the Bank of Canada to continue his obsession with zero inflation and drive this country into a recession? Is that the policy of the government?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if we on this side of the House have any obsession, it is an obsession with avoiding the problems that we got into in the late 1970s and the early 1980s.

I remind the hon. member that at that time, the government of the day, the party that he supports, ignored the problem of inflation and swept it under the carpet. It let inflation go from 5 to 6 to 8 to 10 to 13 per cent. That led to the high interest rates in early 1981 and 1982. It was that high level of interest rate that led to the depression of 1982.

We want to avoid that problem. That was a very difficult lesson for all of us to learn. That is the lesson we want to remember and stop the problem of inflation today so that we do not run into the problems that we ran into in the late 1970s and early 1980s.

* * *

[*Translation*]

EXTERNAL AFFAIRS

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister knows how anxious Poland is to be a part of the coming discussions dealing in particular with Germany's eventual reunification. The Minister certainly will agree they have good reasons for that, because for too long a time, they had no say in their fate. Is the Canadian Government ready to

use all its influence to ensure that Poland's borders will remain inviolable?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister has just held worth while discussions with Prime Minister Mazowiecki of Poland, here on an informal visit, and the matter of Poland's borders has been discussed.

[*English*]

We outlined very clearly the position of the Government of Canada that Poland should be able to live in the secure knowledge that the existing boundaries will be respected and that that reality should be expressed in an international legal instrument to be negotiated as early as possible. We also discussed practical ways in which Canada might contribute to that turn of events being achieved.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): I have a supplementary, Mr. Speaker. The Minister just referred to a meeting between the two Prime Ministers. Has the Prime Minister taken the opportunity of the Polish Prime Minister's visit to extend to that country a package of economic assistance greater still than the one that was announced? In particular, is the Canadian Government ready to grant Poland a special status among members of the Warsaw Pact? Is the Canadian Government ready to partially—and perhaps even completely—write off the debt Poland has accumulated over the years with our country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada already has acted to grant Poland significant debt relief. However, the two Prime Ministers have discussed other options open to us. Poland's Prime Minister has indicated he needs Canadian assistance in three areas in particular—technology, training, and of course the matter of debt. We have agreed to look at how Canada can develop a policy to reduce Poland's debt. The Deputy Prime Minister will be in Poland for a visit during the weekend—he is leaving Friday. Canada's Finance Minister will also go there in the coming weeks to hold detailed discussions on the debt matter with Poland's representatives.

[*English*]

FISCAL POLICY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also for the Minister of Finance. Yesterday, the Governor of the Bank of Canada, in tabling his annual report, warned that interest rates could go even higher in the months that lie ahead. That means that the deficit forecast of the Minister of Finance could be much higher than he predicted in his budget a few weeks ago in the House. In the recent budget, the minister in effect passed the buck to the provinces to pay for the increased cost of servicing the large debt.

When he meets with his provincial colleagues later on tonight, will the Minister of Finance be in a position where he will take on Governor Crow and say that the monetary policy he followed in the last year was wrong, it did not bring down inflation, and has got this country into more serious trouble than before he began with that policy, or will he once again submit to the wishes of Governor Crow and pass the increase in interest rates along to the provinces once again?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Governor of the Bank of Canada and I are of the same view that we are both disappointed that there was a degree of increase in the level of inflation last year and that has continued on to this year.

We have tried over the past couple of years to contain the rates of inflation. If we had had lower interest rates and interest rates which were unnaturally lower, we would have had an even higher level of inflation today and that would have led to even higher levels of interest rates.

It is important for us to understand that this is the best way that we can get inflation under control, and as we get inflation under control we will be able to see interest rates down on a permanent basis.

The simple solutions that my colleague continues to propose simply will not work, because if interest rates are reduced in an unnatural way it compounds the problem and leads to a more permanent level of higher interest rates, a more permanent loss of our competitive position, and a more permanently higher level of unemployment.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I will give the minister a concrete way that he can bring down inflation because he said he is of the same view as Mr. Crow. Yesterday Mr. Crow said that he is concerned that wage increases have escalated sharply and were inflationary. In the last two years they have averaged about a 5 per cent increase per year.

Would the minister not agree that it is terribly hypocritical or sets a bad example when the government has agreed to increase the salary of Mr. Crow as Governor of the Bank of Canada by as much as 21 per cent per year for each of the last three years. Doesn't that set a bad example in this country when Mr. Crow's salary goes up by as much as 21 per cent per year and the minister agrees with Mr. Crow that 5 per cent per year for ordinary Canadians is inflationary? Is that not a bad example?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that the record of this government in controlling wage settlements and controlling the amounts of money that are paid to our senior public servants is a responsible one and one that is in keeping with our desire to keep inflation down. I have said on many occasions that if we as Canadians do not take more out of the economy than it is able to provide for us then we are going to be able to control inflation and as we do that we will be able to get interest rates down.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Nevertheless, Mr. Speaker, the minister has not answered my question at all. I have asked questions. Mr. Crow said yesterday that 5 per cent was too high a wage increase for the Canadian workers. However, Mr. Crow's own salary has gone up by maybe 21 per cent each year in the last three years. Does the minister agree that such a large increase in Mr. Crow's case is setting a rather bad example for the Canadian people? Does he approve of his government's policy in that field? If he does not, why is it then that the government has allowed, throught its policy, such a raise to be given to Mr. Crow? And why does he condemn modest salary increases for Canadian workers? Why indeed, Mr. Speaker?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member knows full well that we do not discuss the specific salaries of any of our senior public servants. The range of those salaries is established by a private sector advisory group. It is the responsibility of the government to apply those salaries within the range that has been provided to us by the outside advisors.

* * *

• (1430)

LITHUANIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I understand that the right hon. Secretary of State for External Affairs will be meeting with the Canadian Lithuanian community right after Question Period today.

We also know from a press conference held this morning that the Canadian Lithuanian community will be presenting an urgent appeal to the Government of Canada, and I quote from the press release, "to recognize immediately the Government of Lithuania as the legitimate government of the independent republic and to offer to send diplomats there as observers."

Would the minister share with the House what response he will give to the Canadian Lithuanian community and to all of Canada, considering the threat of military intervention if such recognition by other countries is not given?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my parliamentary secretary had an opportunity earlier today to meet with representatives of Lithuanian Canadians in Ottawa, and I hope to have the opportunity myself later in the day to meet with them.

As the hon. member and other members of the House know, it is the view of Canada, and I think a view broadly shared in the House, that we want to have the *de facto* independence of Lithuania established by negotiation. We encourage both the Lithuanian and Soviet parties to follow that course.

This morning I called in the chargé d'affaires of the Soviet Union—the ambassador is out of town—to express to him personally our very deep concern about the events overnight in Lithuanian. I reminded him of the undertakings given to me and to the Prime Minister personally by leaders of the Soviet Union that there

would be no crackdown. I expressed concern that the actions of the Soviet Union recently seemed to indicate that its policy might be proceeding in a different direction and that if that were the case it would have very regrettable implications for the relations between Canada and the Soviet Union.

We hope that both sides will return to the pursuit of a solution to this situation by negotiation.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, according to the news release circulated this morning at the press conference, which was supported by ten national ethnocultural organizations across Canada, the appeal of the Lithuanian community to the minister included a request that the Government of Canada demand that no Soviet forces be used to overthrow the legitimate government, that these forces be withdrawn immediately, and that Canada offer emergency supplies of food and fuel to Lithuania if the Soviet Government tries to starve out the republic.

Will the right hon. minister at least commit his government to these very reasonable requests for humanitarian aid?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe that the responsible course for the government and Parliament of Canada is to encourage both the Soviet Union and the elected leaders of Lithuania to proceed by way of negotiation.

We are very troubled by the events that have occurred in recent hours—overnight and this morning—in Lithuania. We have made that concern clear to the Soviet Union. We hope that our concern and influence, coupled with that of other nations which have encouraged with such determination the processes of *perestroika* and *glasnost* in the Soviet Union, may cause the Soviet Union to return to a course of negotiation which would mean that we would not have to contemplate the kinds of steps that were referred to in the press release quoted by the hon. member.

I have had discussions with members of the House privately with regard to steps that Canada might take to contribute constructively to the situation. I hope to continue those consultations, and I give an undertaking to the House that Canada will continue to respond to this situation in a responsible way.

* * *

EMPLOYMENT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister for International Trade and it concerns yesterday's closing of the Southam-Murray printing plant in my riding which employs some 500 people. In eliminating these jobs the company cited "the new North American market" as one factor.

Given that no new adjustment assistance program has been introduced since the free trade agreement, will the government now honour the commitment of the Prime Minister who promised Canadians three days after the last federal election that his government would "ensure innovative and generous adjustment and retraining programs for individual Canadian workers"?

Will the minister now offer that generous assistance to the 500 employees in my riding who have just lost their livelihood?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the graphics arm of Southam announced that it plans to restructure its web printing operations and to shut the aging Weston plant which affects some 500 employees. Some 280 of those employees will lose their jobs while the remainder will retain their jobs in the Toronto area.

At the same time the hon. member forgot to mention that the company announced that it was expanding and modernizing its operations in Orillia, Ontario and in Candiac, Quebec and shifting Toronto area production to those facilities. That will result in the creation of 160 jobs at the Orillia plant and another 60 in Candiac.

There is a net loss of 60 jobs which is unfortunate, but this is because the company has not been doing well in its printing operations and therefore is consolidating and attempting to unload lower profit operations. The situation is not as bad as it has been painted.

I might say that the Canadian printing industry association is indicating that the industry is getting itself in a position so it can compete not only in the United States but internationally. The industry itself is already attracting business from major centres in the U.S., including

New York, Boston, San Francisco, and Los Angeles. In the meantime, all regular adjustment programs will be applied to the 60 jobs affected and to those who lose their jobs in Toronto.

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same minister.

The closing of this plant is not an isolated incident in the printing industry. Photo Engravers of Toronto, 450 jobs; Novalis of Ottawa, 41 jobs; Le Droit Groupe in Montreal, 63 groups; Transcontinental of Winnipeg, 50 jobs; and now the Southam plant in Weston, Ontario will be cutting 500 jobs in my riding.

Why did the government not heed the warnings and concern of the printing industry in regard to the job displacements resulting from this government's FTA?

When will this minister and this government have the decency to come to the aid of workers who have been displaced through no fault of their own, as was promised by the Prime Minister three days after a general election fought on the FTA?

He promised displaced workers that he would come to their aid with a generous package. Where is that package? Where is the commitment? Will this government come clean with displaced workers in this country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is very regrettable that intellectual honesty is not a characteristic of the Official Opposition.

Some hon. members: Oh, oh!

Mr. Allmand: Come on. That is why you're at 17 per cent, John.

Mr. Crosbie: There is no honesty, intellectual or otherwise, in the Official Opposition, Mr. Speaker.

Some hon. members: Oh, oh!

Mr. Allmand: How would you know? Try for 15 per cent next week.

Mr. Speaker: The hon. minister has not singled out any one member but seems to have included them all. That is not appropriate. Would the hon. minister put his answer in more civil terms.

Mr. Crosbie: I withdraw the remark. I know all hon. members opposite are honest.

From the end of December 1988 to the end of December 1989, 258,000 jobs were created over all in Canada; a net increase. In January another 65,000 jobs were created; a net increase. This comes from Statistics Canada's seasonally adjusted series.

When the hon. gentleman cites these cases he is being completely misleading. There has been a magnificent increase in jobs in the last 13 months.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment and is with regard to the James Bay II hydroelectric project.

As the minister knows, this project was discussed by the energy panel at Globe 90 in Vancouver last week, where it was revealed that the potential energy savings in the Quebec hydro system are larger in volume and in value than could be provided by the James Bay II project. This means that Premier Bourassa is asking Quebecers to accept billions in hydro debt and severe environmental damage when an opportunity exists for direct benefits to individual Quebec consumers of hydroelectricity.

• (1440)

Since the minister knows all of that, will he demonstrate leadership this week and subject the entire project to a full environmental impact assessment which includes an evaluation of the cost benefits of energy options to the project?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we all know that this project is very important for the development of the economy of Quebec and Canada. That being said, the government has made a public commitment to apply extensively the requirements of the EARP process and make sure that there will be a full public review and public hearings on this project.

We are currently discussing with the Quebec government and Hydro Quebec the possibility of entering into an agreement to set up a joint process of assessment which will avoid duplication and allow a full and efficient assessment of the project. This joint process will be more or less tailored on what we did in the Al-Pac case in Alberta.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I think the minister has already prejudiced the public hearings by saying that this is an important project for the province of Quebec and suggesting it is going to go ahead.

The James Bay project has already affected Cree and Inuit communities. As a result trap lines have been flooded, migratory birds have been diverted, fish have been poisoned with mercury, and even the beluga whales in Hudson Bay have been affected.

If a dam project like this had been built with the same impacts on Montreal or Quebec City, the minister would be responding to voices of outrage across Canada and cancelling the project even before an environmental impact statement had been drafted.

Given the serious known impacts of this project, will the minister use his power to have the Great Whale project stopped even before it goes to an environmental impact process?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, there are people who are biased and prejudiced against the environment. Others are biased and prejudiced against development and job creation. My honorable colleague is one of those who have something against job creation in Canada and against the development of this country. Mr. Speaker, it is the policy of this government to endorse sustainable development, which means that we will be harmonizing the development of the country with the promotion of the environment. That is what we are doing throughout the country and we are confident that we will have to take steps and will take steps so that, in the case of the Great-Whale project, the federal government will exercise its powers and jurisdiction fully to ensure that all environmental factors will be thoroughly evaluated against its requirements.

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[*English*]

FORESTRY

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, my question is for the Minister of Forestry.

The minister knows, as do most Canadians, that the original FRDAs negotiated with the provinces showed a lot of foresight. The agreements have demonstrated irrefutably that they have been of value to the environment as well as to the economy. People across Canada want to see a renewal of these agreements. The agreement is going to expire in B.C. at the end of this week. It would be inconceivable if it were not renewed.

Would the Minister of Forestry give us his assurance that he and this government are committed to the renewal of that agreement?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, my colleague's question draws attention to the impressive results that have been achieved, as he mentions, with the first generation of Forest Resource Development Agreements, not only in terms of the jobs they created but the rehabilitation of our commercial forests. A lot of people have looked at these FRDAs as perhaps the largest environmental rehabilitation program the country has ever undertaken.

Unfortunately I am not in a position today to announce the renewal of the agreement in British Columbia, but my hon. friend knows that the agreement with New Brunswick has been completed, the agreement with Nova Scotia has been completed, and discussions are going very well with the other provinces. There still remains a very strong federal commitment to the renewal of these agreements.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment. Grand Chief Matthew Coon Come of the Grand Council of the Cree of Quebec said today that the Canadian environment cannot be destroyed to meet the insatiable energy demands of New York.

We have heard repeatedly for over a year about an environmental assessment of the James Bay II project. Will the minister now give his personal assurance to all Canadians that no part of the James Bay II project will start before the full environmental impact is tested by the federal government independently, thoroughly, and openly?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I can and I will reconfirm the commitment of this government to apply fully the requirements of the EARP process.

As we know, the scope of the EARP is very large and has sweeping effects. We will use it extensively because we think that the Quebec government has almost accepted the principle which will be the base or the foundation of the joint process we are to set up.

I can assure our colleague whose concerns are quite legitimate, because this is a huge project with large environmental impacts, that they will be fully assessed before the project is proceeded with.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I seem to hear an echo of things I have heard many times.

All people who truly believe that we have borrowed this earth from our children join with the Cree and Inuit people of Great Whale River in their journey to stop the devastation of their lands. No one more than the Minister of the Environment has a responsibility that we pass on a clean and fruitful earth to the next generation.

I ask again: When will the environmental assessment review process start? When will the minister take an unequivocal stand on behalf of the Canadian environment?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the hon. member had the impression that my answer to her question was some kind of echo. It is simply because we give the same answers to the same questions. So, the question that was just repeated, Mr. Speaker, is: "Is the federal government conscious of the tremendous environmental impacts of the James Bay project? Will the federal government assume all of its responsibilities?" The answer is yes, and I am sure that we will soon be in a position to announce that, in conjunction with the Quebec government, or alone, if need be, we are starting an environmental impact assessment process.

Some hon. members: Hear, hear.

* * *

[*English*]

PEARSON INTERNATIONAL AIRPORT

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Transport.

Pearson International Airport is simply not working efficiently. It can only handle safely 70 flights an hour, which is grossly inefficient considering its vast equipment.

The air space around Pearson is congested because of the government's policy of deregulation. Security is weak, and this at the busiest airport in Canada; in fact one of the busiest airports in the world.

What is this minister going to do to correct this unacceptable and potentially dangerous situation?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my friend will be aware that during the 17 years that the Liberal government was in power there were no changes to the facilities at Pearson.

However, since 1984 we have commissioned Terminal 3 at no cost to the taxpayer. I toured it on Saturday. It should be ready on schedule in September. We have commissioned the Environmental Assessment Review Panel for new runways, and all of the other problems that we can tackle are being tackled.

This is part of a southern Ontario strategy which we are working on. We have not finished it, but it is entrain.

• (1450)

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I thank the minister for those answers, but those solutions are long term. Last year the near misses at Pearson increased by almost 66 per cent over 1988.

Recently, while you and I, Mr. Speaker, were sitting in a secured area, an alarm went off. It was over 15 and a half minutes before somebody responded to this breach of security in a secured area at Pearson Airport.

Pearson Airport is simply not efficient. It is not working on the inside. It is not working on the outside. We are still playing Russian roulette with the air traveller in Canada.

When is the minister going to do something about these situations?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the system is working and it is working safely. The facilities that you let lapse—

Some hon. members: Oh, oh!

Mr. Lewis: The airport processed 14 million passengers in 1984 and 21 million passengers in 1989. I think it is doing a good job.

* * *

URANIUM INDUSTRY

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources in his capacity as the minister in charge of the Atomic Energy Control Board of Canada.

Evidence is mounting daily all around the world, including the recent Gardner report in Britain and the BEIR V report in the United States, that what had previously been thought to be acceptable radiation levels in fact constitute a real threat to the public and workers in the nuclear industry.

I am sure the minister is aware that, as a result of this evidence, the International Commission on Radiological Protection has recommended drastic cuts in the allowable limits world-wide, recommendations the AECB has basically scoffed at.

Will the minister listen to Canadian workers who today called on him to respond publicly to the BEIR V report and the Gardner report, to cut drastically those limits for workers in the public immediately, and to convene a national public inquiry into the occupational and environmental safety of the uranium mining industry?

Is the minister prepared to take action on these very legitimate requests now?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, obviously the safety of workers and the safety of the Canadian public are paramount in the government's considerations. I will take a look at the requests that have been made which were conveyed by the hon. member.

AECB guidelines and regulations are very strictly enforced. If they need to be changed, that can be examined through the due process by which changes have been made in the past.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, AECB's record in making changes and looking at evidence has been abysmal, going all the way back to what has happened at Elliot Lake through the years, and certainly what we saw happen at Wollaston Lake.

Does the minister intend to take seriously the demonstrated need for reduced radiation limits and an inquiry into the uranium industry now or after thousands more Canadians are needlessly exposed to dangerous radiation levels?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, comments like that by the hon. member are neither substantiated nor should they be made by a responsible member in the House of Commons.

First, Canadian standards meet world levels. Second, we are a member of the International Energy Agency which is headquartered in Vienna. We are members of that international organization.

In principle members of the NDP are opposed to nuclear energy. Second, including the hon. member, they want the jobs in their backyards, namely in uranium mining. Third, they get up on their hind legs when there are closures at Elliot Lake. They want all that, but in the meantime they also want to deprecate the position of nuclear energy.

Nuclear energy is a valid option for energy in Canada. It has to be met with the strictest regulations which are enforced by the AECB.

Maybe the hon. member should go back to his riding and talk to some of the workers about the jobs and the safety standards the AECB is enforcing. His charges today were unfounded and dangerous.

* * *

[*Translation*]

EXTERNAL AFFAIRS

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. When Romanian Bishop Laszlo Tokes met with the Prime Minister last week he asked that Canada send neutral observers to monitor the elections in his country on May 20 so as to make sure that they are carried out in a free and democratic manner. As a matter of fact, this request will be echoed tomorrow in a document bearing 5,000 signatures which is to be presented to the Prime Minister by Canada's Romanian communities.

Would the minister tell us how the Canadian government intends to handle these requests?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, elections are to be held in Romania on May 20, and Romanian government officials have indicated that they are prepared to play host to foreign observers.

[*English*]

As the hon. member has indicated, there was a request made of the Prime Minister. As a result, Sir, of a meeting which you convened last week, there have been discussions among the three parties regarding the composition of an all-party delegation that might go to Romania in advance of the elections and stay there through the election period.

We think that would be a useful contribution that Canada could make and are looking forward to working with members of the House to ensure that that Canadian parliamentary delegation is able to function effectively in Romania.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the right hon. Secretary of State for External Affairs. He will know that last Friday the Fisheries Council of Canada released a report prepared by the Oceans Institute on the subject of overfishing in the north west Atlantic.

The report said something that we have been saying for a long time, that the time has come for the Prime Minister to demonstrate some leadership on this particular issue, make it a priority, and take it to the highest diplomatic levels.

Does the right hon. minister accept one of the recommendations of the report, namely that the government ought to convene this year an international symposium in an effort to resolve the serious problem of foreign overfishing beyond the 200-mile limit?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to give the whole story of the report of the Fisheries Council of Canada, it also commended the government for taking very seriously the threats to the Canadian fishing industry that were posed by foreign overfishing.

The Prime Minister has been in touch with leaders of the European Community. My colleague, the Minister for International Trade, the former Minister of Fisheries and Oceans and I have been involved actively on the file. The Minister for International Trade and the Minister of Fisheries and Oceans will be meeting with leaders of the European Community in Dublin, Ireland, next week.

With regard to the specific proposal, that is a matter on which we have already begun action. We have had discussions with other countries that are interested in the Law of the Sea with an eye to beginning the kind of preparations that may lead in an international regime that will achieve the results sought by the Fisheries Council.

Mr. Speaker: The member for Burin—St. George's on a short supplemental.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I am glad to see the minister has some familiarity with the report.

Would he comment on the suggestion in the report that some drastic measures are required to deal with this issue, including, if necessary, arrest and prosecution; in other words, unilateral jurisdiction of the 200-mile limit to give Canada functional control of the transboundary stocks? Does he agree with that recommendation and what in particular is the government doing to achieve that extension?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in effect I have answered that question with regard to the discussions that Canada has initiated—and I underline "that Canada has initiated"—regarding extending international regimes that are in place.

The hon. member will know as well as anyone in the House that there is no point in Canada taking unilateral actions which will either have no standing in international law or will not have effect in the circumstances. What needs to be done, on the one hand, is to persuade the Europeans to begin to respect the North Atlantic Fisheries Organization regime and, on the other hand, to try to enlarge the effectiveness of international law. That is what we are doing.

RESEARCH AND DEVELOPMENT

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Acting Prime Minister.

The Prime Minister himself has said that research and development and the resulting innovation are the lifeblood of a successful economy and country. Yesterday in his absence his government defeated a motion that would have recognized the need for Canada to increase its level of research and development.

Will the government now admit that it has given up any hope of increasing Canada's research and development performance?

• (1500)

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the answer is no, we have not.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, the people of Canada and the scientific community have the right to expect the government to show leadership in scientific research and development. Yesterday the Minister for Science refused to repeat the Prime Minister's commitment to boost research and development to 2.5 per cent of the gross domestic product. Is the government prepared to show some leadership and, if so, what is the specific objective of its science policy?

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the concrete goal of our policy is really very clear. It is our intention—

Some hon. members: Oh, oh!

Mr. Winegard: It is our intention to make this country competitive, and to do that, you not only need a significant R and D effort, you also need to look at all those issues which make us non-competitive, something that previous governments never thought of.

We intend to look at these issues, sector by sector, industry by industry, and ask them what is wrong and why can't they increase their amount of R and D. When we have the answer to those issues, we will know what to do. We will not be just throwing money at the problem, which is always the hon. member's solution.

Mr. Speaker: Orders of the day. The hon. House Leader.

Mr. Andre: Mr. Speaker, I beg the indulgence of the House for a moment or two. It is the intention of the Prime Minister to lead off the debate, but the Prime Minister has been meeting with the Prime Minister of Poland who is visiting Ottawa this day. I am informed that the Prime Minister will be here in a moment or two. Perhaps we could suspend until the Prime Minister arrives.

I have just been informed the Prime Minister will be here in five minutes. With the indulgence of the House, perhaps we could suspend the sitting until he is here. Or I will answer any questions hon. members might have, in the meantime!

Some hon. members: Oh, oh!

Mr. Speaker: That is an invitation that may be taken up.

Mr. Riis: Mr. Speaker, I am certainly prepared to recognize that the Prime Minister would want to lead off this important debate. Since we are waiting for a few minutes, I wonder if we could have unanimous consent of the House to continue with Question Period until the Prime Minister arrives.

Mr. Andre: Mr. Speaker, if the hon. House Leader of the New Democratic Party will give us some assurance that these will be reasonable questions, of course, I have no objection.

Some hon. members: Oh, oh!

Mr. Gauthier: Mr. Speaker, I think I have a very constructive suggestion to make to the House. Maybe we could have a period of answers, good answers.

Some hon. members: Oh, oh!

Some hon. members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

PROPOSED CONSTITUTION AMENDMENTS

REFERENCE TO SPECIAL COMMITTEE

Right Hon. Brian Mulroney (Prime Minister) moved:

That a Special Committee of the House of Commons to Study a Proposed Companion Resolution to the Meech Lake Accord be appointed to consider the document annexed hereto;

That 15 Members of the House of Commons be appointed to serve on the Special Committee, to be appointed no later than 3 sitting days after the adoption of this motion, upon report of the Striking Committee;

That the Committee have the power to appoint from among its members such sub-committees as may be deemed advisable and to delegate to such sub-committees all or any of its powers except the power to report directly to the House;

That the Committee have the power to sit during sittings and adjournments of the House of Commons;

That the Committee have the power to send for persons, papers and records, to examine witnesses and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee be empowered to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings or the proceedings of its sub-committees, pursuant to the principles and practices governing the broadcasting of the House of Commons, when in the parliamentary precincts, and to the extent possible when outside these precincts;

That the Committee have the power to travel within Canada;

That the Committee submit its report no later than May 18, 1990, provided that, if the House is not sitting, the report will be deemed submitted on the day such report is deposited with the Clerk of the House of Commons, in which case the Clerk shall immediately notify each Party Leader of the receipt of such report;

That substitutions be authorized according to normal procedures for Legislative Committees; and

That the quorum of the Committee be eight Members, whenever a vote, resolution or other decision is taken.

ANNEX

The (Senate) (House of Commons) (Legislative Assembly) resolves that amendments to the Constitution of Canada be authorized to be made by proclamation issued by His Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto entitled Constitution Amendments or any provision thereof, on the adoption of the resolutions required for such amendments, but only after the *Constitution Amendment, 1987*, comes into force.

SCHEDULE

CONSTITUTION AMENDMENTS

Constitution Act, 1867

1. (1) Subsection 2(1) of the *Constitution Act, 1867*, as enacted by section 1 of the *Constitution Amendment, 1987*, is amended by adding the word "and" at the end of paragraph (b) thereof and by adding thereto the following paragraph:

"(c) the recognition that, within New Brunswick, the English linguistic community and the French linguistic community have equality of status and equal rights and privileges."

(2) Section 2 of the said Act, as enacted by section 1 of the *Constitution Amendment, 1987*, is further amended by adding thereto, immediately after subsection (2) thereof, the following subsection:

"(2.1) The role of the Parliament and Government of Canada to promote the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed."

(3) Section 2 of the said Act, as enacted by section 1 of the *Constitution Amendment, 1987*, is further amended by adding thereto, immediately after subsection (3) thereof, the following subsection:

"(3.1) The role of the legislature and Government of New Brunswick to preserve and promote the equality of status and equal rights and privileges of the two linguistic communities referred to in paragraph (1)(c) is affirmed."

2. Section 25 of the said Act, as enacted by section 2 of the *Constitution Amendment, 1987*, is amended by adding thereto, immediately after the word "province" wherever it occurs therein, the words "or territory".

3.(1) Subsection 101C(1) of the said Act, as enacted by section 6 of the *Constitution Amendment, 1987*, is amended by adding thereto, immediately after the word "province" wherever it occurs therein, the words "or territory".

(2) Subsection 101C(4) of the said Act, as enacted by section 6 of the *Constitution Amendment, 1987*, is amended by adding thereto, immediately after the word "province" where it occurs therein, the words "or territory,".

Constitution Act, 1982

4. Section 36 of the *Constitution Act, 1982* is amended by adding thereto the following subsection:

"(3) The Senate shall, in 1991 and every five years thereafter, carry out an assessment of the results achieved in relation to the commitments of Parliament, the legislatures, the government of Canada and the provincial governments set out in this section and a report of every such assessment shall be presented to the conference next convened under section 148 of the *Constitution Act, 1867* after the assessment is completed."

5. Section 43 of the said Act is renumbered as subsection 43(1) and is further amended by adding thereto the following subsection:

"(2) An amendment to the Act of the Legislature of New Brunswick entitled *An Act Recognizing the Equality of the Two Official Linguistic Communities in New Brunswick*, chapter O-1.1 of the Acts of New Brunswick, 1981, may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons and of the Legislative Assembly of New Brunswick."

6. The said Act is further amended by adding thereto, immediately after section 43 thereof, the following section:

"43.1 Notwithstanding paragraph 41(*i*), an amendment to the Constitution of Canada in relation to the establishment of new provinces in the territories may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons."

7. The said Act is further amended by adding thereto, immediately after section 46 thereof, the following section:

"46.1 No measure relating to an amendment to the Constitution of Canada may be adopted by the House of Commons or the legislative assembly of a province pursuant to section 38, 41, 43, 43.1 or 46 unless public hearings in relation thereto are first held by the House of Commons or legislative assembly, as the case may be."

8. Subsection 47(1) of the said Act, as enacted by section 12 of the *Constitution Amendment, 1987*, is amended by adding thereto, immediately after the reference to section 43 where it occurs therein, the following: "or 43.1".

9.(1) Subsection 50(2) of the said Act, as enacted by section 13 of the *Constitution Amendment, 1987*, is amended by adding thereto, immediately after paragraph (a) thereof, the following paragraph:

"(a.1) constitutional matters that directly affect the aboriginal peoples of Canada, including the identification and definition of the rights of those peoples; "

(2) Section 50 of the said Act, as enacted by section 13 of the *tConstitution Amendment, 1987*, is further amended by adding thereto the following subsections:

"(3) The matters referred to in paragraph (2)(b) do not include issues relating to jurisdiction and are not required to be included on the agenda of conferences convened under subsection (1) after the first such conference is convened.

(4) The Prime Minister of Canada shall invite representatives of the aboriginal peoples of Canada, and elected representatives of the governments of the Yukon Territory and the Northwest Territories, to participate in the discussions on the matters referred to in paragraph (2)(a.1) at the conferences convened under subsection (1)."

Constitution Amendment, 1987

10. Section 16 of the *Constitution Amendment, 1987* is amended by adding thereto, immediately after the reference to section 27 where it occurs therein, the following: "or 28".

Citation

11. This schedule or any provision thereof may, if proclaimed, be cited as the *Constitution Amendment, (year of proclamation) (number, if necessary)*.

He said: Mr. Speaker, in my speech to the nation Thursday evening, I announced I would introduce a motion in the House of Commons to refer Premier McKenna's companion resolution to a special committee of the House. I rise today to fulfil that commitment.

The matter is urgent. There are now fewer than 90 days to ratify the Meech Lake Accord.

It is worth recalling that 10 provincial Premiers, representing four political parties, and the leaders of the three federal parties here in the House of Commons, endorsed the Meech Lake Accord; that eight provincial legislatures have already ratified the Accord and that this House of Commons has twice passed it with overwhelming majorities.

It may be helpful, Mr. Speaker, to briefly recall how we as Canadians and as Parliamentarians got to this particular point.

In 1980, Quebecers were promised a renewed federalism if they voted against sovereignty association in the referendum. In November 1981, the then Prime Minister and nine premiers signed a Constitutional Accord. Only Quebec was left out.

The Government of Quebec, as a consequence, did not participate actively in Constitutional reform and systematically invoked the notwithstanding clause to exempt all of its legislation from the Charter of Rights and Freedoms.

In 1985 a new government of federalist persuasion was elected in Quebec, led by Mr. Robert Bourassa of the Liberal Party of Quebec. Its premier set out a position based on five moderate proposals which, he said, were a basis for Quebec's finally endorsing the Constitution.

In August, 1986, a few months later, the ten premiers met in Edmonton for their annual conference. They declared in a communique—and I quote, because it is of particular importance—that they:

—unanimously agreed that their top constitutional priority is to embark immediately upon a federal–provincial process, using Quebec's five proposals as a basis for discussion, to bring about Quebec's full and active participation in the Canadian Federation.

The Edmonton Declaration then went on to say:

> There was a consensus among the Premiers that then—
>
> The reintegration of Quebec having been achieved.
>
> —they will pursue further constitutional discussions on matters raised by some provinces, which will include, amongst other items, Senate reform, fisheries, property rights, etc.

Nine months later, after extensive negotiations and consultations, the First Ministers met at Meech Lake and worked out an Accord which was subsequently formalized on June 3, 1987, with the Langevin Agreement.

The Meech Lake Accord makes good the promise to Quebecers in 1980, delivers Quebec's full endorsement of the Constitution Act 1982, including the Charter of Rights and Freedoms and fulfils the commitment made in Edmonton. Those are major achievements, Mr. Speaker. Those are historic achievements that have been endorsed by this House in the past and I trust will be endorsed by the entire country in the future.

The Accord recognizes what has been fact for centuries. Quebec is a distinct society "within Canada", as the Accord duly notes. Commentators often forget the words "within Canada".

Indeed, in 1865 in the Confederation debates, Sir John. A. himself referred to respect for Quebec's "individuality" as being a key component of acceptance of the BNA Act, which led to Confederation two years later. In fact, Sir John. A. made it very clear that if that individuality, call it distinctiveness, were not accepted and recognized by the other partners, there would be no confederation in 1867.

• (1510)

That is the manner in which the importance of the distinctiveness and the individuality was regarded by the Fathers of Confederation. Beyond that, Quebec's full and willing participation in the constitutional process makes other and quite necessary reforms possible. I think it is generally acknowledged that without Quebec at the table the constitutional reform process has been effectively paralysed.

The Accord brings Quebec back into the constitutional family and at the same time it strengthens the unity of all of Canada.

[*Translation*]

With the Meech Lake provisions, there is only one class of province in Confederation; all provinces have an equal role with respect to constitutional amendments affecting key national institutions. Mr. Speaker, I find it fair and appropriate that provinces should be given a say in whom the federal government appoints to the Senate and the Supreme Court. The final decision remains with the federal government. Also, I think it reasonable that provinces have a say in the development of new national shared-cost programs in areas of exclusive provincial jurisdiction. That seems quite normal to me. That seems quite normal to me. I think it makes good sense for government leaders to meet annually to find ways to strengthen our economy and to increase prosperity for all Canadians. Co-operative federalism, not confrontational federalism, is the only way our large, diverse country is going to make its way in a rapidly integrating, highly competitive, opportunity-filled world. The Meech Lake Accord is indispensable to our ongoing unity and strength.

Mr. Speaker, especially in light of the developments since, it is worth recalling the immense joy we all felt on June 3, 1987, the day that the ten provincial premiers and I reached unanimous agreement on the Meech Lake Accord.

[*English*]

At the signing ceremony in Ottawa Premier Vander Zalm said:

> Today, as Canadians around this table, there are no losers. Instead, Canada is a winner.

Premier Buchanan stated:

> This Accord—has healed a wound, it has brought Canada to whole nationhood, to whole maturity.

Noting that the Accord began with the Edmonton Declaration in 1986, Premier Getty said:

> —throughout this journey, Alberta's objective— has been a strong Canada— made up of a partnership of strong equal provinces with a strong federal government.

Premier Pawley of Manitoba, stressing the unifying value of the Accord, said:

> Are there risks in what we have undertaken? Yes, of course. Are those risks worth our taking? Yes, by all means, they are.

[*Translation*]

For his part, Premier Bourassa declared: "It is with great pride as a Quebecer and as a Canadian that I express my deep satisfaction today with Quebec's return to the Canadian Constitution."

Nor was the mood of elation and hope restricted to First Ministers. I remember the reaction in the House of Commons very well. The headlines echoed the mood of those optimistic days. *Le Devoir*'s headline was "Canada has said yes to Quebec"; "A real *tour de force*" according to *Le Droit*; "Equal partners at last" said the *Calgary Herald*; "The welcome pact" was how the *Globe and Mail* described it. The joy felt across Canada sprang from a simple emotion—love of country, love of Canada.

The Meech Lake Accord is the product of 19 years of comprehensive constitutional review and of extensive commentary in learned journals and the media. But in the three years since the Accord was signed, three provincial governments, all original signatories of the Accord, have changed and their successors have raised concerns about it. And, regrettably, the complexity of the Accord has been reduced to symbols and code words that have distorted its intent as an instrument for unity.

Premier McKenna is saying that the Meech Lake Accord can be improved by adding to it and without subtracting from it. He is the first of the dissenting Premiers to recognize that Meech Lake cannot be reopened without losing the achievements and progress of the last three years in terms of consensus-building and momentum on one of our gravest constitutional problems.

[*English*]

By choosing to table a companion resolution Premier McKenna is acknowledging that Meech Lake cannot be opened and amended directly because to do so would mean eleven legislatures starting over from the beginning.

Premier McKenna's initiative endorses the major elements of the Meech Lake Accord. It recognizes that the distinct society clause works with and not against the Charter. It acknowledges that no new powers are conferred by recognizing the role of the National Assembly of Quebec in promoting Quebec's distinct identity.

It supports the spending power clause by providing an appropriate balance in a federal system. But it also has the virtue of moving the debate beyond symbols to ways of meeting the remaining concerns of Canadians.

By ensuring that each of the elements in his resolution can be judged on its own merits and that amendments can be proclaimed when the necessary level of consent has been reached, Premier McKenna has introduced welcome flexibility on the substance of the issue.

In leaving open the timing of the eventual proclamation of amendments, he has introduced as well flexibility on procedures, subject to the proviso that the Meech Lake Accord would have to be part of the Constitution before additional amendments to the Constitution were made.

By leaving open the possibility that other amendments could be added to the companion resolution and that existing provisions could be altered or even deleted, Premier McKenna has provided still another element of flexibility.

We, in Parliament, in convening national public hearings on Premier McKenna's companion resolution by a Special Committee of the House of Commons, will introduce a further element of flexibility.

This differs from the process followed to achieve the amendment on aboriginal rights in 1983 and the Meech Lake Accord in 1987, whereby governments concluded an executive agreement and agreed to have it adopted, as is, by their respective legislatures.

Parliament will not be asked to debate or commit itself to the text, or an amended version of it, until the people themselves have had a chance to speak to the issues involved and the committee has reported.

Today's motion therefore triggers an important stage of consultation among Canadians. Further action, if appropriate, however will be specifically referred to Parliament pursuant to a decision made at that time.

[*Translation*]

Mr. Speaker, in referring the New Brunswick resolution to a special committee, the House of Commons is inviting Manitoba's leaders to build on Premier McKenna's initiative set out in the second, companion resolution. We are inviting Premier Wells to do so as well—to come before the Parliamentary Committee and to put forward his constitutional proposals for consideration. Mr. Speaker, this would be a positive, constructive way

for Premier Wells to put himself in the same position as Premier McKenna is. We make this request because it is not our intent to isolate any province, be it Newfoundland or Quebec. The isolation of a province once in the life of a nation is once too often.

The special committee we propose to be created might wish to consider carefully, proposals put forward by Manitoba and Newfoundland to add a "Canada Clause" to the Constitution which would set out the key elements of our national identity, without deleting any of the elements already entrenched in the 1982 Constitution or to be entrenched by Meech Lake in interpretive clauses. Hon. members will recall that a constitutional preamble had been examined in 1980, but that it was viewed as premature, in the absence of a full consensus on constitutional renewal. Instead, two elements of it—aboriginal rights and the multicultural heritage of Canadians—were included as constitutional interpretive clauses in the Canadian Charter of Rights and Freedoms, but Canada's linguistic duality and Quebec's distinct society were left out.

• (1520)

The resolution that I propose be referred to a special committee is sensitive to the fact that a complex accord was developed and approved by Parliament and eight legislatures, including the National Assembly. It recognizes that if Quebec's fundamental needs are set aside, the whole Accord will collapse. In such circumstances, Canada's constitutional development, including Senate reform, will stop and the issue of Quebec's constitutional isolation will remain.

[*English*]

Premier McKenna, in drawing on the public hearings across Canada and the concerns raised by Canadians, has restricted himself to matters which, in his judgment, might attract a national consensus, with support in all regions.

Where, in his view, it is clear that there is a strong national concern, but that a broadly-based national consensus on an idea has not yet emerged, he has called for a guarantee that the issue be addressed during the next round of constitutional negotiations. It is for that reason that he wishes to place aboriginal constitutional issues on the permanent agenda of the First Ministers' Conference on the Constitution.

The agenda included in Meech Lake already covers Senate reform. In fact, at the last First Ministers' Conference in November, it was agreed that a First Ministers' Conference on Senate Reform would be held in western Canada in November of this coming year. As Prime Minister of Canada, I have stated that I would table at that conference a comprehensive proposal for an elected Senate on November 1, next in western Canada.

Some hon. members: Hear, hear!

Mr. Mulroney: For its part, the Government of Canada also wants to make progress on aboriginal issues, as set out in the Throne Speech of April 3, 1989.

In this context, I should also remind the House that the government announced in the same Speech from the Throne that it would attach priority to linguistic rights and to ways to strengthen the Charter of Rights and Freedoms, as well as Senate reform and aboriginal rights, after proclamation of the Meech Lake Accord.

The government will be looking to the proposed Special Committee of the House of Commons for advice on how and when these matters should be addressed. In short, while the companion resolution is intended to address some immediate constitutional issues in the context of the Meech Lake Accord, it is not intended to resolve all of Canada's outstanding constitutional questions here and now and for all time. This, I think, is one of its strengths.

If the Fathers of Confederation had set as rigorous tests of perfection for Confederation as are now being set by some for Meech Lake, the noble idea of Canada would never have seen the light of day.

Some hon. members: Hear, hear!

Mr. Mulroney: It was only because the Fathers of Confederation recognized their own imperfections, respected each other's differences and acknowledged the fragility of their endeavour that Canada emerged through patient and generous compromise into greatness, and it is only in that spirit that Canada will continue to grow and prosper into the next century as a strong and united nation.

Some hon. members: Hear, hear!

Mr. Mulroney: Canada has always been known as a nation of reasonableness and compromise, of mutual respect and understanding. Canada has especially been known as a nation whose people and whose institutions have given sensible meaning and compassionate interpretation to all of the legal underpinnings of our democracy.

Why should we change today? It is the people of Canada who have given sense, leadership and vision to this country for 123 years, and if we listen and we maintain that elevated view of nationhood, it will be the same for another 123 years, and then on into the future.

[*Translation*]

Premier McKenna, in proposing adoption of the Meech Lake Accord and a companion resolution to be proclaimed subsequently, is adhering to the Edmonton Declaration of 1986 in which the Premiers agreed unanimously that Quebec's return to the fold would be the first constitutional priority. Premiers agreed then that this overriding priority should be unencumbered by other issues but that once this question was resolved, other issues would be promptly addressed.

Simply put, the New Brunswick resolution is intended to complete Round 1 so that we can get on with Round 2. It was spelled out in the decision made by all provincial premiers at Edmonton in 1986 and the Meech Lake Accord is consonant with their request. The resolution is not a take-it-or-leave-it proposition. The dialogue with Canadians through a special committee of the House of Commons will allow us all to reassure ourselves that the Constitution will be an instrument of unity and, hopefully, a true reflection of our values.

The government will obviously wish to receive advice from the Committee not only on the content of the companion resolution but also on the timing of the adoption of amendments contained in it. The proclamation of the Meech Lake Accord is not contingent on the proclamation of the companion amendments, but Premier McKenna has said that there will have to be significant support for his companion resolution before he can pass Meech Lake. The work of the Committee will be particularly important in developing both a broadly based national consensus on the amendments and popular support for them.

[*English*]

For this reason, we propose that the committee be empowered to travel within the time constraints for its report, consistent with the achievement of broad support. Creating such a dynamic is the best guarantee that amendments will, indeed, be made. But let us not lose sight of the most crucial issue, the one that was at the heart of the Edmonton Declaration, the one that was at the heart of all major interventions on the floor of this House of Commons, that the Meech Lake Accord must be proclaimed by June 23 or it will die.

We are at a critical juncture in Canadian history. For Canada, unity is an act of national will and purpose. Our unity was not created in violence against a common enemy, nor were the ties that bind us forged in the fires of revolution or civil war. In building this extraordinary country, man was not our constant challenge, but nature was.

Canada's unity deepened as generations of Canadians steadily surmounted difficulties of climate, geography and isolation to build a modern, prosperous and compassionate country that spanned the continent.

This time, the challenge is different. This time the danger comes not from an unforgiving climate, nor from a hostile world. This time the danger comes from within, from disagreement within our own hearts on how to make the extraordinary land that providence has given us better. It is worsened by a growing attitude of selfishness that is alien to our national character and inimical to our national interests.

• (1530)

The solution lies in our heads in recognizing the gravity of our dilemma, and in our hearts in drawing on the national values of understanding and fairness with which previous generations have built this country with their very hands.

The destiny of Canada is now in our hands. Let us recognize the dangers. Let us act in a spirit of generosity and tolerance. Let us remain true to the values of generations past. Let us guarantee that legacy for generations to come.

Let us make Canada one Canada, whole and entire again.

The government and all Canadians everywhere will eagerly await the recommendations of the committee, and wish them well in their deliberations across the nation because the government genuinely believes that their option is an important one in bringing about the final resolution of making Canada one Canada with all provinces, 10 out of 10, as a firm and inalienable part of our national identity once and for all.

Some hon. members: Hear, hear!

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, for several months Canadians have watched as their political leaders have tried to deal with the difficult question of how to resolve the current impasse over constitutional change. Steps are now being taken by provincial governments and by the federal government which may lead to a solution.

[*Translation*]

First we had proposals from Premiers McKenna and Wells, followed by study groups set up by the Western Premiers, and finally, the tabling today of Premier McKenna's resolution in the House of Commons for consideration by a special committee.

[*English*]

We believe that constitutional change of a kind that is broadly acceptable to Canadians can only be achieved through dialogue aimed at reaching the widest possible consensus. We support efforts to resolve this situation through constructive dialogue. Therefore we will participate fully and actively in the committee that has been proposed.

We welcome the initiative of Premier McKenna of New Brunswick to advance the constitutional discussions. While it is not fully clear at this time whether or not Premier McKenna's proposal for a companion resolution will receive sufficient provincial as well as federal backing, I believe it is a constructive step.

At the same time I believe the proposed committee must also be a vehicle for studying other proposals for breaking the constitutional impasse. An example of what I mean is the proposal of Premier Wells of Newfoundland. For this reason I welcome yesterday's letter from the government House leader to our House leader in which he states:

> The companion resolution sets out a number of proposed amendments to the Constitution of Canada. It can be amended, added to and/or subtracted from. In light of the above, I see no constraint on any constitutional issue being raised and discussed by the Committee.

We expect this to be the guideline for the Conservative majority and all the members of this committee.

[*Translation*]

However, Mr. Speaker, I deplore the fact that the Prime Minister did not act sooner to seek a solution. As I said before, the fact that he is now intervening *in extremis* may have disastrous consequences for constitutional reform. The proposals drafted by the Premier of New Brunswick might provide the basis for an expanded accord. With Mr. McKenna, I believe that many Canadians are concerned about the lack of flexibility in the constitutional debate we have had so far. Mr. McKenna's proposal is basically very close to the amendments to the 1987 Constitutional Accord proposed by the Liberals in Parliament. I think it is unfortunate the government did not accept those amendments.

Mr. Speaker, I say this because at the time, we tabled several amendments, aimed at strengthening and improving the accord, which dealt with many of the issues raised by Premier McKenna, including protecting women's rights, protecting and expanding Native rights, the creation of new provinces and regional equality, while seeking broader public consultation in the constitutional reform process.

[*English*]

We know that Premier McKenna does not consider his companion resolution to be a seamless web, and in fact expects further proposals. One important area which many Canadians would like to see addressed, and which we raised in our amendments is the matter of Senate reform. In that connection we specifically called for an elected Senate.

I believe that if the Prime Minister had accepted our amendments in 1987, we might well not be facing the current constitutional impasse.

We agree with the motion to set up the special committee. However, in spite of the Prime Minister's speech today there are still issues connected with the motion on which further and more complete answers are likely to be sought by Canadians, issues about which Canadians have a right to receive clear explanations of the thinking and the intentions of the Prime Minister. Not least among them is the process by which any final companion resolution produced by the committee and

subsequently approved by this House could become part of our Constitution.

As the Prime Minister knows, there can be no constitutional amendment unless, in addition to being adopted by this House and by the provinces, the proposal is also considered by the Senate. Whatever the Prime Minister's views may be about the Senate, he cannot ignore its role in the process of constitutional amendment, especially if it is his desire to resolve more quickly the present impasse.

In short, I am saying it would be helpful if the Prime Minister spelled out more precisely than he has done today for Canadians the actual process and outcome of it that he has in mind. For example, he has said that he does not agree with my suggestion to call an immediate meeting of himself and all the premiers to discuss possible solutions to the impasse. Yet, as we all know, the Constitution makes it clear that the provinces, and therefore their premiers, have a pivotal role to play in most constitutional amendments.

Are we to take it that if there is passage by this House of a companion resolution, which may or may not be the same as that proposed by Premier McKenna, that the Prime Minister will then convene the premiers to discuss it? Do we have a commitment by the Prime Minister that he will in fact present such a resolution to the premiers and ask them to have it approved by their legislatures? What is the timeframe he has in mind for all this? How does he fit this timeframe into the deadline for the 1987 constitutional amendment which, as he has reminded us in his speech, is June 23 of this year?

• (1540)

[*Translation*]

Mr. Speaker, many Canadians who heard the Prime Minister's speech last week had the impression that he agreed with Mr. McKenna's proposals. Subsequently, the Prime Minister stated that tabling the McKenna proposals in the House did not mean that he agreed with and endorsed those proposals.

[*English*]

As the Prime Minister said in his televised speech: "I believe it is possible to extend a hand to Canadians who feel they were overlooked by the Meech Lake Accord" and, with the process now before us, this House "can by such an initiative signal its desire to reach out to all Canadians to allay any concerns they may still have about the Accord".

Also in his televised speech last Thursday night, the Prime Minister stated that the 1987 Accord is "not perfect". Canadians will therefore expect the Prime Minister to inform the House and the proposed committee as to how he wants to respond to the concerns he agrees do exist.

We recognize that all of the premiers have not given strongly positive responses to Premier McKenna's proposals. However, at this stage, we continue to believe that we should give the proposed committee a chance to try to stimulate more dialogue and possible consensus on this crucial matter.

It is important to keep in mind that, as Canadians, we have achieved our goals of nation building only through dialogue leading to compromise and consensus.

The proposals before us today give us an opportunity to take a very positive step toward achieving greater national unity through the exercise of tolerance, goodwill and generosity. Therefore it is important that the Prime Minister undertake a dialogue between himself and all the premiers, but in particular with those who appear to be furthest apart, with the aim of achieving consensus.

I sincerely hope that the Prime Minister and the premiers of all the provinces will carry out such discussions in the spirit of compromise and conciliation which I believe is truly necessary.

As I have said, it is time to roll up our sleeves and get down to the business of negotiating constitutional change to make this country stronger and more united.

Canadians from all across this country must be active participants in the dialogue. We need the people of Quebec, just as we need the people of Atlantic Canada, just as we need the people of Ontario, of western Canada and of the north. They are all needed and valuable.

Canada is more than the sum of its parts. I believe Canada is worth preserving. I believe Canada must be preserved.

We have a multicultural country, a country with two official languages, a country where all Canadians regardless of their backgrounds or origins, are free to pursue their own goals and seek their own fulfilment.

[*Translation*]

We are all Canadians, and the House of Commons brings together people from all parts of this country, English-speaking and French-speaking, people of various origins, and we must take this opportunity to build a country that reflects our common values.

[*English*]

As a nation, we have been able to respect one another's differences. Our remarkable tradition of tolerance and generosity is widely recognized around the world. It is part of what makes us who we are and gives us a foundation of mutual respect and understanding which is essential for building a stronger and a more united Canada.

The current impasse is no less important and no less real than other great challenges we have faced in the past.

Once again, we in this House, elected representatives from all across Canada, are now being asked to help meet this challenge. I can assure you, Mr. Speaker, that I and my colleagues are committed to preserving this great country and strengthening our national unity.

The work of the proposed committee is important but, frankly, it is up to the government to give its work meaning and value. What the government does will be the test of the value of what this committee will accomplish.

All Canadians, particularly the premiers and the Prime Minister, must approach this challenge in the same spirit in which this country was founded. If we work together in this spirit—one of tolerance, goodwill and generosity—I am optimistic that we will meet the current challenge. I am optimistic that we will succeed. It is something that we must do.

Some hon. members: Hear, hear!

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rise today to speak on the motion put forward by the government on the establishment of a committee to discuss the proposals put forward by Premier McKenna of New Brunswick on the Constitution.

It is a motion that I hope will finally lead to a constitutional process wherein the voices of Canadians can be heard and wherein those voices will count. To date, the people of Canada have too often felt excluded from this process. They have felt that constitutional matters were a dialogue among politicians rather than a dialogue among Canadians about the foundation of their country. Certainly Canadians cannot feel that their views are represented if they sense that their voices are not being heard.

[*Translation*]

First of all I would like to discuss the process followed so far and the results obtained. I will then talk about what we must accomplish in the coming months. In concluding, I would like to define the Canada we want to create for our children. Our party does not take the present situation lightly. It is true that progress was made last week, but the impasse continues. Every day, divisions are aggravated and antagonism is reinforced.

Mr. Speaker, the New Democrats do not believe that our country can adopt a Constitution that excludes Quebec. I also believe that our country cannot adopt a Constitution that fails to guarantee the rights of so many people across this country.

As I said before, Confederation will not be complete until the rights of women, native people and Northern residents have been recognized.

That is why, both personally and on behalf of my party, I am committed to keep working until we are out of the present impasse.

[*English*]

The Prime Minister said five days ago that he believes that Canadians want to participate themselves in the resolution of this great national issue. Exactly! I believe that if the Prime Minister had said those words two years ago, we would not be in the situation that we are in today.

Consistently, Canadians have felt, as I have said, excluded from the process and that their voices have not been listened to. Now we are engaged in an eleventh-hour attempt to salvage the process, a process that should have been instituted before.

A document was proposed which has profound implications for our country. From the beginning the Prime

Minister insisted that not one change could be made to that agreement, not one amendment would be accepted.

There were no public consultations prior to the signing of the Meech Lake Accord. There was no draft Accord put before the Canadian people for discussion. There was no effort to include the representatives of women, of aboriginal people, of ethnic minorities in the formulation of the Accord.

• (1550)

Government leaders from the Yukon and the Northwest Territories were literally left standing out on the sidewalk in front of the Langevin Block, while inside the premiers discussed the future of the north.

The consultation process which followed the signing of the Accord was not much better. A parliamentary committee was restricted to hearings in Ottawa for 15 days in the month of August. Canadians remained isolated from the dialogue and uninformed about the actual contents of the Accord.

Finally, on September 9, 1987, the final report was presented. Many excellent recommendations came from even those limited hearings. As a result, there were recommendations to improve and strengthen the accord.

The New Democratic Party put forward three amendments. One was to deal with the concerns of the northern territories. One was to deal with the concerns of aboriginal people. The third was to ensure equality rights for women. These amendments were rejected by the Prime Minister and his government. The amendments we proposed at that time did not detract from the five conditions that Quebec had put forward, but rather built upon them.

It is this fundamental disregard for the legitimate concerns of Canadians that has led the country to the very serious situation we are in right now. It is a situation that the Prime Minister helped to create. Therefore it is a situation that the Prime Minister must help to resolve.

[*Translation*]

A committee has been struck, and its mandate is to consider Premier McKenna's proposal. As Mr. McKenna said himself, this proposal is merely the beginning. The debate will not be restricted to his list of suggestions.

We hope this is the spirit in which the committee will consider all reasonable suggestions and all recommendations it receives.

I also hope the Prime Minister is sincere when he suggests it is possible to redress the injustice to those who, for the time being, have been excluded. Obviously, conducting hearings is not enough. We must also listen and act accordingly. This government cannot afford to ignore the committee's recommendations.

[*English*]

In the government's motion, and in adopting the language of the McKenna proposal, it seems to indicate that any changes or additions would not happen until after the passage of the Meech Lake Accord. The Prime Minister confirmed that in his remarks today. This language obviously suggests that an agreement could not be achieved before or at the same time that Meech Lake might be ratified. Yet we are using terms such as "parallel accord". Parallel accord by its very definition would seem to mean an accord that goes alongside of the existing accord, not long after it.

Some people are referring to a "companion accord". To most people this would mean an accord which would accompany the existing Accord, not follow in some indeterminate time in the future.

I suggest to the House that we must be aiming for the best case scenario, not accepting a second or a third option before we have even begun.

If it is possible for the government on recommendation of this committee to devise a plan for implementation of a sound parallel or companion accord, which does not undermine the five conditions of Quebec, then surely we should leave the timing of that open. Let us not draw lines in the sand, but instead keep open minds and an open process.

We all want to work as quickly as possible to ensure the entry of Quebec into the Constitution, and ensure a constitution in which all of the people of Canada feel they belong.

[*Translation*]

The New Democratic Party believes in the importance of communities. It believes in equality. It believes in economic and social justice. We want our Constitution to reflect those values. It is because we believe in the importance of communities that we understand the distinct identity of Quebec. For years, our party has

recognized Quebec's distinct identity. It is essential, because Quebecers have the right to protect their language and their culture. That is why we support Quebec's five conditions, and that is why we shall go on supporting them.

Some hon. members: Hear, hear!

Ms. McLaughlin: Quebecers have realized, thanks to the work of people like Thérèse Casgrain, Robert Cliche, Ed Broadbent and now the hon. member for Chambly, our new Quebec member, that we share the values that Quebecers hold dear. We believe in social and economic justice.

[*English*]

Because of our belief in equality, and social and economic justice, we also assert that the rights of other communities in Canada must be recognized in the Constitution. A constitutional agreement which fails to address adequately the rights of women, aboriginal peoples, multicultural groups and northerners does not reflect our vision of Canada.

We are particularly concerned about this, quite frankly, because of the attitude that this government has shown in the treatment of those groups, an attitude that has varied from indifference to contempt. For example, the National Action Committee on the Status of Women, had its budget cut in half. Eighty-five women's centres across the country have been closed by this government's budget. Post-secondary funding for aboriginal people has been limited. Aboriginal communications programs have been devastated by budget cuts. The Assembly of First Nations, a key representative for the aboriginal community, has had its entire Secretary of State funding cut.

It is no wonder that these communities feel threatened. It is no wonder that they do not trust the government. It is no wonder that they seek constitutional guarantees.

The New Democratic Party is going to work in this committee. We are going to speak out in the House. We are going to fight to ensure that these Canadians get those guarantees.

We also look forward to addressing the concerns of westerners, Canadians from the Atlantic provinces and ethnic and visible minority Canadians in committee. With western Canadians, there are very real concerns about the institutions of Parliament and that they do not provide adequate representation from the regions. With Atlantic Canadians, there are real concerns about justice and equity in the delivery of national social and economic programs.

As strong supporters of minority rights and the multicultural character of Canada, we will be raising, with Canada's cultural communities, their concerns and listening to their aspirations.

New Democrats believe that the rights of one community do not compete with another community; they complement each other. Just as Canada belongs to the people of Alberta, it belongs to the people of Quebec. Just as Canada belongs to immigrants, it belongs to aboriginal people. Just as Canada belongs to men, it belongs to women.

Canada belongs to all of us. It is a part of all of us. Our Constitution must do nothing less than reflect that reality.

[*Translation*]

In recent months, we have seen a growing wave of intolerance moving across this country. I find this disturbing and ugly, and the ugliness troubles me. The reasons behind this intolerance are many and varied. I believe one of the main reasons is a feeling of financial insecurity shared by many people across this country. Our responsibility as politicians is to help increase our understanding of others, both as individuals and as a community.

• (1600)

People in this country tend to forget their history, which prevents us from celebrating our successes or understanding the injustice committed against our Native people, against Quebec and against ethnic communities.

[*English*]

The political parties and political leaders of Canada have a crucial role to play in Canadians getting to know their history and one another. We have a crucial role, not just in moving from intolerance to tolerance, but to understanding and friendship.

One way of doing this is through the strengthening of our cultural institutions and programs. Now is not the time to destroy the CBC, as the government seems intent on doing. It is not the time to cut youth exchange programs, but to expand them. It is not the time to destroy the rail link that links this country. The value of friendship between our language and cultural communi-

ties cannot be understated. The diversity of our country enriches us all.

While we celebrate that diversity, we also need to recognize that we share a great deal. We have common problems, hopes, and aspirations and we must come together to meet the common challenges ahead.

The issue confronting us is not who loves Canada or who loves Canada more. It is about what kind of Canada we want to create. It is about creating a Canada of equality, harmony, and social and economic justice. Writing a constitution that reflects our values and corrects our historical injustices is a crucial element in the creation of that kind of Canada. It is, however, but one element and I say to the House today that, while we apply ourselves to this task of constitutional reform, we must work diligently with this committee to see if we can break this impasse. With the political will, I am optimistic that we can do that. With leadership by the government and by all parties, we can break this impasse.

We must not at the same time lose sight of other issues. We must put an end to poverty in Canada, put an end to food banks and soup kitchens. We must continue to work for real economic justice, jobs for all Canadians and fair taxation, to put an end to the violence against women, and for international development and peace. Finally, we must join together to ensure that the world we leave our children is a clean world and an environmentally sound world.

In my support of the Prime Minister's motion, I say to the House, let us write a constitution which reflects what Canada is all about. Let us move on to create a united Canada, a caring and compassionate Canada, a Canada for all Canadians.

Mr. Hawkes: Mr. Speaker, I am sorry I have not had a chance to talk with my colleague across the way. It has been a pattern in many of our debates, including opposition days and many others recently, that when we come to the 20-minute speeches parties or individuals, if they would like, could indeed split their speech between two members for 10 minutes each, with a similar arrangement for the question and comment period which follows.

I wondered if there might be a disposition in the House to follow that pattern. Therefore, each party, depending on their speaker, would be free to go the full 20 minutes or to split it between two people. If, indeed, there is that predisposition then our first two speakers would do the splitting.

Mr. Gauthier: Mr. Speaker, we would certainly concur with that suggestion since we started that some years ago. I would like to make sure that members splitting their times into two 10-minute speeches followed by five-minute questions would give notice when they start their speeches so that the Chair and everyone in the House knows that indeed we are dealing with a member who is splitting his time.

Mr. Speaker: Agreed?

Some hon. members: Agreed.

[*Translation*]

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, of course, as—

Mr. Speaker: In response to the comment made by the Hon. Member for Ottawa—Vanier, could the Minister tell us whether he intends to speak for 10 or 20 minutes?

Mr. Valcourt: It is an interesting topic that could be discussed for hours, but I will only take 10 minutes, Mr. Speaker.

Of course, as Member for Madawaska—Victoria, in New Brunswick, as a member of the Acadian community in that province, as a francophone committed to promoting the growth and development of official language communities in this country and as a private citizen who favours a Constitution maintaining a balance between the need for a strong national government and the full participation of federal partners in national affairs, I am pleased today to support the motion before the House creating a special committee to return to the public domain the discussion generated by the initiative taken last week by New Brunswick's Premier, Mr. McKenna.

Mr. Speaker, I listened earlier when the Prime Minister referred to the current concern of so many Canadians now, including many young Canadian men and women. I was in the "Republic of Madawaska" yesterday, in Edmundston, Brayons country, and a 14-year-old girl told me about an assignment they had in their school on the issue of bilingualism, and she showed me her

presentation. That child, a 14-year-old girl, was concerned with her country's fate. It is my belief that Canadian men and women are seriously worried.

When the Prime Minister earlier referred to this country's history, anyone looking at Canada's constitutional history will reach some inescapable conclusions. One of them is that our constitutional process is always based on political compromise. How could it be otherwise, in a country as large as ours, having to reconcile so many regions whose inhabitants trace their roots to so many different places? Our cultural and sociological heritage is a reflection and a proof of that diversity.

Now Canada was born out of political compromise, and at each and every turn compromise has been the basis of constitutional progress. Another conclusion to be derived from our constitutional history is that at no point have we succeeded in one fell swoop to set up a constitutional order or set of provisions that would automatically solve all the problem arising out of this country's development and progress. That historical reality must be kept in mind. It has never occurred that a cure-all was found. And some who are commenting on the situation today would have us in this generation solve all the problems outright, set up a perfect order.

As a number of members have indicated, Meech Lake is not a perfect document, but it is a serious, just and fair attempt at trying to ensure this country's continuance.

If we ignore Canada's historical reality, if we claim that everything has to be perfect, we face the danger that no further progress could be made for lack of a, perfect solution. But even if there is no perfect solution, clearly it is an ideal that we must constantly pursue. The constitutional history of Canada also reveals that the latter conclusion has a corollary, namely that failing to react to a problem of whatever nature inextricably leads to inflexibility, intolerance and confrontation between the federal partners. Recent Canadian history has confirmed that fact and it would be a grave mistake on our part to ignore this.

• (1610)

Like many Canadians, I found particularly unfortunate and dangerous the fact that unanimity was not achieved during the constitutional reform of 1982. What should have been acclaimed at the time as an important constitutional accomplishment, that is to say the repatriation of the Constitution as well as the adoption of an amending formula and of a Charter of Rights and Freedoms, will have been tarnished by the repudiation of that initiative by the Quebec Legislative Assembly. And that refusal on the part of Quebec to adhere to the constitutional pact reminded me of the difficult episodes of our constitutional development since the failure of the Victoria Conference in 1971. It also reminded me of the fact that the inability of the members of our Confederation to come to a compromise regarding the constitutional claims of Quebec over a period of almost 20 years, has nearly led to Canada breaking apart. However, the solemn promise of renewed federalism made to Quebecers in 1980 could not be kept. We can not lose sight of that, Mr. Speaker, because it is the backdrop of the Meech Lake Accord. The premiers of all the provinces had come to an agreement in 1986; that was not at our instigation. They nevertheless met on their own initiative to give themselves a mandate and to say:"Our priority is the repatriation of Quebec in the constitutional fold."

And today, because in 1982 we failed to reach a general consensus, we are blamed for taking care of Quebec only. To those who believe that this is a question for Quebec alone I say: certainly not. We are not talking about Quebec, we are talking about Canada. And Canada is Quebec, is New Brunswick, is Newfoundland, is Prince Edward Island, is all the provinces and territories. There are those who would like to see Quebec join, enter Confederation, but without conditions. Some say: nobody is against accepting Quebec, they may come! But they would like it to crawl through the back door. However, Quebec wants to join with dignity and, according to Robert Bourassa, this is what the Meech Lake Accord does.

Some hon. members: Hear, Hear.

[*English*]

Mr. Valcourt: Mr. Speaker, the Meech Lake Accord is an accomplishment which in my view is of the utmost importance. The world has witnessed from time immemorial the fearful effects of linguistic and ethnic tensions which can easily paralyse a nation and create a climate in which economic and social development is rapidly jeopardized. Therefore I believe that we must not permit any

complacency with respect to constitutional issues and the issue before us today.

The Prime Minister is asking members of this House in endorsing this motion to bring together Canadians who believe that for one reason or another their concerns have not been addressed. I think Premier McKenna's initiative will create the occasion for Canadians to come forth and see what Meech is really all about. It does not take rights away from any Canadian. No rights of any Canadian are taken away. Canadians will have an occasion to air their views about the kind of Canada we want. That is what is at the foundation of this Canada. If we want to save this country this initiative is important.

I understand my 10 minutes are up. Therefore, I move:

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of Government Order No. 4, a motion respecting the referral to a special committee of New Brunswick's proposed constitutional amendments.

Some hon. members: Hear, hear!

Mr. Speaker: All those members who object to the motion please rise in their places.

And fewer than 15 members having risen:

[*Translation*]

Mr. Speaker: Less than 15 members having risen, pursuant to Standing Order 26(2), I declare the motion carried.

Motion agreed to.

[*English*]

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as you will be aware and my colleagues opposite will be aware, I will speak for 10 minutes. I am just going to synchronize my watch with theirs.

I rise today to express my support for the motion before this House. The motion calls for the creation of a special committee of the House to study a proposed companion resolution to the Meech Lake Accord.

Our purpose, of course, is to contribute to a process that we hope will enable the Meech Lake Accord to be ratified by all governments in Canada to break what has been called a constitutional logjam.

On March 21, Premier Frank McKenna of New Brunswick tabled what he called a companion resolution. Contained in this resolution are proposals that would add to but not subtract from the Meech Lake Accord.

There were 11 parties to the Meech Lake Accord and there are those in the House who have raised the question of why their amendments to the Meech Lake Accord were not accepted at earlier times.

No single party can amend an accord between 11 parties unilaterally. This is something that Premier McKenna has recognized in the form in which he has put his companion resolution and that is what he suggests are additions to or clarifications to the accord that will make it possible procedurally for the accord to become law, but also to reassure those with concerns and would like clarification about its provisions.

The Constitution is the basic social contract of our country. It defines the terms of our living together and establishes the ideals we want to uphold together. It tells the world how we see ourselves. But a constitution, as the Prime Minister said in this House during the Meech Lake debate, is more than words on paper. It has to reflect the reality of the country or it simply will not work. Nor is the Constitution to be carved in stone for all time. It must be susceptible to amendment to reflect the evolution of a society and their people.

For example, the Constitution Act, 1867 outlines the relationship between governments in our federal system. The 1982 Act provides an amending formula and entrenches rights and freedoms in our basic national law.

[*Translation*]

The Meech Lake Accord will fill in a serious gap because it will mean that Quebec accepts willingly our Constitution. The Accord takes into account some basic realities of our country:

—Quebec constitutes a distinct society within a country where all provinces are equal.

—The linguistic duality of our two founding nations, the French and the English, constitutes a basic characteristic of our country.

The Meech Lake Accord will bring Quebec back into the Constitutional fold under very acceptable terms.

Now, Quebec has willingly accepted the Constitution. It has recognized the legitimacy of the Canadian Charter of Rights and Freedoms.

But the process will go beyond that. Other Constitutional negotiations will take place, but before that, the present debate must come to an end.

Why, at this very moment, is the Meech Lake Accord of such great importance for the history of Canada?

In 1984, Canadians gave Prime Minister Mulroney a mandate to make sure that Quebec would sign the Constitution. In 1985, the Quebecers elected Premier Bourassa for the purpose of carrying out negotiations based on five points.

Later on, the Provincial Premiers agreed as a priority to bring Quebec back to the Constitutional negotiating table based on these same five points. The First Ministers had reached an agreement at Meech Lake in 1987; it was agreed that this Accord respected the principle of provincial equality.

• (1620)

The Meech Lake Accord recognizes the fact that Quebec is a distinct society. It grants a right of review to the provinces on such institutions of the Federation as the Supreme Court. It maintains the power of the Government of Canada to set up shared cost programs in the areas of exclusive provincial jurisdiction and the right of the provinces to opt out of these programs against payment of a fair compensation so that they can implement their own programs in accordance with national standards.

Finally, the Accord recognizes the need to come to the second stage of the Constitutional reform by putting an end to the activities scheduled for the 1980's and then come to those scheduled for the 1990's.

Mr. Speaker, we have reached a crucial juncture in the ratification process. The stakes are high. This is a critical moment of our history. By starting a dialogue with the Canadian people through a special Committee of the House of Commons, we can assure them that their Constitution will faithfully reflect their common values.

[*English*]

When the Meech Lake Accord was first created, I was a member of the legislative assembly of the province of British Columbia. British Columbia has always played a positive role on the national constitutional scene. In 1985 in a speech in Montreal, the then premier of British Columbia, Bill Bennett, stated that Canada was like a net and, as different parts of the net experience strain, other parts of the net supported those parts under strain and the whole created a support. It created strength that was the nature of the whole country. At the same time, on behalf of British Columbians, he commented that in his view and the view of many British Columbians, the French fact in Canada could best be protected in the envelope of Confederation.

British Columbians have been like Quebecers, assertive of their provincial rights but always ultimately committed to the nation. Recently Premier Vander Zalm put forward proposals to try to rescue the Meech Lake Accord. Those proposals were put forward in the same spirit that British Columbia has always reflected on the national scene.

I welcome this public process because I have spoken about the Meech Lake Accord to audiences throughout my province. I have found that wherever I was able to explain the Meech Lake Accord, audiences in British Columbia were extremely receptive. They accepted the accord and believed in it with the typical fair-mindedness found among British Columbians.

As a western Canadian, I believe the Meech Lake Accord is a good agreement for western Canada and for the country as a whole. It points the way to a stronger Canada where a vigorous federal government works with strong provinces, instead of against them, and where all provinces are treated equally.

Meech Lake guarantees the important issue of Senate reform will be on the agenda of annual conferences on the Constitution. It also gives provinces an equal say, rather than giving the veto to Quebec and Ontario together, as would be the case with the current amending formula. There are some who ask why the premiers did not agree on Senate reform in 1986, but I think it is fair to say that even at today's date there is no consensus on the ultimate nature of Senate reform. Premier Filmon of Manitoba has made the point very clearly.

In this process today with this motion to refer Mr. McKenna's motion to a committee, we are attempting to save the Meech Lake Accord. In his letter to the Prime Minister, which accompanied his proposals for saving the Meech Lake Accord, British Columbia Premier Vander Zalm remarked that what appeared to have been lost in the country since 1987 is what he called the spirit of Meech Lake. The only way we can save the Meech Lake Accord is to recapture the spirit of Meech Lake.

As the Prime Minister has said, this is the key. No law is unambiguous. The Charter of Rights has been hailed by many as an important legal development in Canada, but many Canadians have been disappointed by Charter decisions. As the Prime Minister said, standards of perfection are doomed to fail because there is no consensus on perfection.

The reaction to Premier McKenna's companion resolution has been positive and encouraging. Individual Canadians and interested parties will, as a result of the process we are putting in place with this motion, have the opportunity to address New Brunswick's resolution as well as other proposals.

Without this accord, I believe that our continued existence as a united country and our will to live together would be questioned. This is not the kind of future the next generation of Canadians expect to inherit, or has a right to expect. The Prime Minister said in his address to the nation:

> This is not just a constitutional problem, nor is it a debate among politicians. This is above all a question of will—the national will to be true to the legacy of tolerance and generosity of spirit on which this country was built.

That generosity of spirit was characterized among the 11 First Ministers who met at Meech Lake. I believe that it will be characteristic of all those Canadians who take the opportunity set in place by this process to understand the Meech Lake Accord and to appreciate its significance in our constitutional development.

I am therefore pleased to support the motion to put Premier McKenna's resolution before the special committee of the House, and I would like at this moment to move that the question be now put.

Mr. Speaker: Is there further debate? The hon. member for Beaver River. I see the hon. member and will recognize him in a few minutes. The hon. member for Beaver River.

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise today to speak on this motion concerning the Meech Lake Accord. I have to say that I am opposed to proceeding in the manner that is proposed for four basic reasons which I will articulate.

First, regardless of the contents of this motion or the Meech Lake Accord itself, there is simply not enough time. The goal remains approval of the accord by June 23. Even if the approval of the contentious points could be reached, 89 days is simply not enough time for full public debate and reflection upon such permanent constitutional changes. The House will know that on June 27 of last year, I pointed out to the Prime Minister that approval was impossible without new initiatives. That was the time to act. No action was taken then and nine months have lapsed since that time.

Second, it has become clear that there is simply no common ground on which to build a consensus at this point. That is clear from the reactions of the governments of Quebec, Newfoundland and Manitoba. At this particular moment that reaction is likely to be even clearer from the public. Under such circumstances, it is hard to see how a game a charades between now and June 23 can lead to anything other than more stands-offs and heightened tensions.

Third, there remains a failure to recognize the fundamental flaws in the original deal. In this day and age, a constitution cannot be drafted by 11 men and approved without widespread public support, nor can a federal state allow any or all of its regions to have absolute vetoes on the constitutional aspirations of the others. That is a totally negative version of equality that entrenches blackmail as the primary mechanism of constitutional development.

Fourth, and finally, I believe the accord remains based on a false premise. That premise is that Quebec has been excluded from the Constitution. The House will know that Quebec is a full legal part of the Constitution. Its political exclusion is self-imposed, a tactic Mr. Bourassa picked up from the previous separatist Government of Quebec. The House will also know that the Prime

Minister himself supported the patriation of 1982 at that time.

I say these things knowing full well the depth of feeling in Quebec and the possible consequences, but I also know the depth of feeling in my own area. It is understandable that Quebec will feel hurt at the failure of this deal after it had been signed by all provinces and the country appeared set for the period to follow. However, the deal has been rejected by every segment of society outside of Quebec and the opposition is not just trivial. As delays crept into the entire process there was a greater chance to see exactly what Meech meant and have it rejected on its merits.

There have been developments since the deal was signed. Three premiers who had signed it have been replaced. Indeed, these three will likely never be able to hold public office again and that same fate may await other Meech supporters as well.

There has been the obvious insincerity on Senate reform demonstrated by the outright rejection of appointing Stan Waters.

• (1630)

Albertans do not take kindly to this. They believe that a parallel accord, if you will a full draft amendment for Senate reform, a triple E Senate, is essential; not just elected senators but elected and having equal representation from each province across the country.

There has been the frenzy of the Prime Minister and other senior ministers to drive us to the brink, and the separatist threats of Mr. Bourassa which have only served to weaken the deal because Canadians know this deal cannot be signed since Confederation will not survive with a gun constantly at its head.

Of course Quebec feels it will have to re-examine its place in Confederation after Meech. I am convinced that Quebec can do this in a balanced, mature and intelligent manner without taking the kind of advice it gets from some other fellow Albertans opposite. There is certainly going to be bitterness in this re-examination, and there is no doubt federalism will be a tough sell if only because of leadership.

The strongest federalists are relics of the past. The current Prime Minister and the Premier of Quebec have inconsistent positions that are a credit to no one, whereas the separatist leader, Mr. Parizeau, is intelligent, consistent and committed and I think at this point he is smiling because he knows he gains whether Meech is defeated or whether it passes.

Many English Canadians believe that the Meech deal itself contains little justification for separation. However, the Meech process has shown that Quebec will have to re-examine itself, to choose once and for all a permanent commitment to either a small but exclusively French state with all the symbols of nationhood, or else a French part of a greater nation from sea to sea more intimately connected with the continental reality.

I hope Quebec appreciates that the Reform Party admires the courage of Quebec to debate this range of options and of the many politicians it produces who represent and articulate clearly these choices, a quality absent in most of English of Canada I have to admit.

I also hope Quebec realizes it will remain only a French island on an English continent and there will be no easy deals or easy formulae for survival.

I am confident that Quebec and the other parts of Canada will be able to deal amicably and peacefully and prosper together, prosper together no matter what road is chosen. Quebec of course is more confident now than ever before, and Albertans especially admire its determination to engage the American giant head to head in healthy competition and to look at the future in terms of economic opportunities.

History will record the great failure of this government to bring a similar forward looking feeling to the constitutional agenda of Canada, as this government has encouraged Quebec not to look forward but to reopen past bitterness and defeats.

For the first time in Canadian history, a Prime Minister has been responsible for creating constitutional tensions and crisis. He resurrected Quebec nationalism for electoral success. He tried constitutional brinkmanship when it did not appear the accord would pass, and it unfortunately blew up in his face.

The Meech Lake deal is dead and a new deal should be struck with a new three-year deadline. This new deal should be evaluated on its merits again as to whether it passes or fails. By continuing to pass Meech, all that is being done is to heighten emotions and to raise the stakes.

We cannot ask Canada to base its constitutional future on an artificial deadline of only 89 days left when 1,007 days have passed already with nothing happening in this place. Even if a perfect deal is worked out, there is not enough time to evaluate it on its merits and ram it through Parliament. This is not some bill simply to raise taxes. This is a constitutional law we are talking about, the supreme law of Canada.

From the start, members of this government have shown themselves to be rank amateurs at constitutional negotiations. They have done everything wrong, and their irresponsible behaviour has certainly created a crisis of which we are all aware. I cannot support this motion or any constitutional agenda of this government because of their inability to deal with it.

Now rather than later, before there is another opportunity at constitutional negotiations and crisis, we need harmony; not just an if-then formula: You give us this, and then we will think about giving you that.

It is my belief that we need to grow together and that it is only possible through a triple E Senate where we would have equal representation from all provinces to address these regional concerns which will make all areas equal siblings in this family that we all call home: Canada.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to be very brief because we have said and my leader has indicated that we view the McKenna proposal as a constructive way of helping us to go through the constitutional impasse we now face.

As one who has been very interested in this initiative and who sat on the parliamentary committee that dealt with the Meech Lake Accord, I am looking forward to these committee meetings, as well, as a possibility of getting us through this stage of the constitutional evolution of our country.

The experience that I had with my colleague on the constitutional committee that examined the Meech Lake Accord was not a very happy one. We were whipped into holding all our meetings here in Ottawa. We were denied the opportunity to call witnesses from across the country who wanted to appear. We were pressed into holding our hearings in the month of August, and witnesses were not allowed the time that they required to prepare proper presentations.

Nevertheless, my caucus was able to produce a minority report which is appended to the document. None of the amendments that we recommended, which I think would have improved the Meech Lake Accord and would certainly have increased its acceptance, were considered by the government and none were accepted by the government.

With the wisdom of hindsight, it should be obvious to the government that this was a tactical error. We accepted the Meech Lake Accord without our amendment package. We did so, not because we approved the tactics of the government but because we expected that it would be possible, with the kind of support that the House of Commons showed, to move our Constitution forward to begin considering concerns not only of Quebec but of many regions of Canada, of all regions of Canada, for the improvement of Canada's Constitution.

We support the reference of this resolution to committee, again in the hope that this will be a productive way of moving us forward so that we can achieve the Constitution for Canada that the Canadian people in all the various regions of our country, the ethnic groups and so on in particular want.

So far the Prime Minister and the statements that we have heard from members of the Conservative caucus give us no reason to be excessively confident that this process, that this set of committee hearings will be productive. I do not want to condemn the government at this point. I want to call on the government to put more on the table than the Prime Minister put on the table in the statement that he made today.

We need to know where the government stands on this package. We need to know what the government is prepared to do to try to achieve the kind of consensus that will make the Meech Lake Accord work and a commitment that something will be made of the McKenna proposals contained in the package that we have before us today, the additions that one can anticipate from other parts of the country and from the work of our committee and that they will not be treated with what I can only call the contempt that was given by the Prime Minister and by the government to the work that was done under very limited and tough circumstances by the parliamentary committee that met during the Meech Lake Accord process.

• (1640)

I am looking forward to the committee getting started. I have a great deal more to say but will not say it today. I want simply to urge that other speakers who speak for the government make it clear that this will be meaningful, that this will not be simply a participation exercise, because if all it is is a chance for members and for interested Canadians to appear before us and to sound off, it will not take us through the constitutional impasse.

I can say for my caucus that we hope fervently that the government will make out of the work that we intend to contribute to this committee a useful and successful step in dealing with the constitutional unfinished business of Canada.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, it is with a mixture of pride and concern that I rise to take part in this debate on the motion introduced today by the Prime Minister (Mr. Mulroney). Of course, Mr. Speaker, you will not be surprised to learn that Mr. McKenna's initiative in trying to break the constitutional log jam was one of my concerns when I was a member of the McKenna's government, in the New Brunswick Legislative Assembly. But this issue is much more serious, Mr. Speaker, because there has never been a better time, in a very long while for politicians and Parlementarians to show their concern for Canada instead of the process and to consider the aspirations of Atlantic, Western and Central Canada, as well as Quebec. It seems to me that, on the eve of the June 23rd deadline, this is not the time to discuss in the abstract of a constitutional notion or ideology, Mr. Speaker, but rather for all Canadians to look for a way to live peacefully together, English and French, people from isolated areas and native people. This in no time for us to be thinking of our own little self, be we from Quebec or from New-Brunswick. The real question is how we are going to solve the problem.

Of course, it will not be easy. And I want to point out, Mr. Speaker, that the proposal put forward by the New Brunswick Premier is only the beginning of a solution and not, as he admitted himself, the final solution.

[*English*]

Because we do not often have the opportunity to do so, I want to congratulate the Prime Minister, the Leader of the Opposition and the Leader of the New Democratic Party for having set a tone which is very important, that we must in our own ways speak out very forcefully on whether or not we believe that we can solve the enigma that is Canada. It is not new and it certainly does not get any easier that tensions—regional tensions, in the past religious tensions, continually linguistic tensions and probably forever various types of tensions—will exist in this country because of the nature of its population, its size and its geography.

Surely this is not a time to be selfish or to start to point fingers as to who was right, who was wrong and who did what in 1980, in 1986, on the Plains of Abraham or in the settlement of the west. These are all very important things, but the challenge for Canadians, from what I hear from Canadians, is not to go on with political rhetoric or one-upmanship or who is going to be the political victor in this situation.

I believe today that every man and woman in this House would want to be on the parliamentary committee. It seems to me, as I stand in this House and look around and think of the men and women who have come before us—builders, people with vision, people with an understanding of what Canada could be and should be—that we had better be very careful because history is going to judge us very harshly if we pass up an opportunity to try to take every avenue open to us to make Canadians understand that constitutional processes are extremely complex, very difficult and can be divisive but should never be beyond the scope of our ability to deal with them.

Sometimes I make sure that in the final analysis I take the position that I misunderstood, because sometimes a person can be led to believe that somehow regional or personal perceptions are more important than Canada. People with very little understanding will say in an offhanded manner: "I understand the feelings of Albertans" or "I am very familiar with how the Quebecois feel".

We have difficulty in our own little communities and in our own lives dealing with family issues, with village, town and city problems, with relationships within our own small groups of people, associations, church groups and political parties. Yet there are people who would have us believe that they understand the complex problems that confront us.

I hope the result of this process will be just part of many things that are occurring as Canadians of goodwill, generous of spirit, work toward trying to find a way out of this impasse. Each of us in our own way does not matter very much, but we in this place have been given a responsibility. How we deal with it is going to serve as an example in many ways to Canadians who do not have the kind of opportunity that is being presented to us.

There are some who say that time is too short. There are others who say the battle has already been lost. I do not know if they are prepared to accept the implications of what they say.

Is there anyone in this place, after we go through this exercise, who is prepared to walk out on to the streets of his or her hometown and say: "I didn't do every possible thing that I could do to make sure that this great country stayed together", not to hurt or take away from one group to give to the other and not to be proud and selfish and beat one's chest and say: "I came up with the solution"?

Certainly the Premier of New Brunswick, in the attempt that he and the Government of New Brunswick has put forward to try to find a solution to the impasse, does not see it as a personal solution and hopes that it just part of the building blocks that are required to get us out of this problem.

The worst thing that can happen to us as Canadians is to somehow think that somebody else is going to do it for us or that somebody else's attitude has to change in order to make it easier to find a solution. We have to start changing our own attitudes.

[*Translation*]

Mr. Speaker, I cannot emphasize enough just how important it is for all parliamentarians to realize, without going into all the details of the motion which has been presented to Parliament and to the House of Commons, that nobody will come up with a magic solution. The only way to solve this problem is to be generous, but more particularly to be committed to continue to build this country—difficult though it may be—which was born under much more trying conditions than those we are facing today.

Mr. Speaker, again I repeat the challenge which I think is central to the motion. I hope every member of the House wants to say: I would like to be part of the parliamentary committee and to be part of the solution. I want to find a way to solve the problem rather than make it any more complicated than it already is, I want to find ways to suppress certain frustrations and allay certain fears. We have a few months or a few weeks ahead of us, Mr. Speaker, and I would not want to be too dramatic about this. It is not a matter of giving too much importance to what we are doing. We cannot overemphasize the importance of Canada, and this is why I hope that the work of the committee will produce the outcome which all Canadians are hoping for—a way of solving the constitutional dilemma which has endured for too long already.

• (1650)

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, in 1980, when the Quebec government asked its question in the referendum, many of us—or more precisely 60 per cent of us—voted no. Many MPs from Quebec, from all three parties, voted no. Others voted yes. Those who voted no did so because they thought at the time that negotiations between Mr. Lévesque and Mr. Trudeau could hardly be successful due to the intransigent attitudes on both sides. And we thought at the time that, since the issue had finally been resolved and the people had voted in favour of Canada, a constitutional accord could easily be reached. Were we ever surprised, a year and a half later, when the Canadian Constitution was brought back from England without Quebec's agreement.

I don't know if members of Parliament from outside Quebec, some of whom spoke today, realize what a referendum means in terms of discussions and fights between members of one family, of one community, of one village or small town. I don't know if you can imagine how traumatic that experience has been for many Quebecers, and how shocked they were when they suddenly realized that Ottawa had fooled them with fine promises concerning a future Constitution. In the following months, many of us decided to come to Ottawa, to try to repair this injustice, to show Quebecers, 40 per cent of whom had voted "yes", that it was possible for Canada to include Quebec as a distinct society as we know it, with a different language, a different culture, different traditions, a different civil code. So we came here. It seemed to me that 1985–86 was perhaps the ideal time for men like Premier Bourassa and Prime Minister Mulroney, people whose negotiating skills are well known, to reach some understanding. We had the Meech

Lake Accord, signed by the 11 first minister from all of Canada—a rare feat.

We were so happy! It seemed to us then and in the following months that Canada as a whole suddenly realized that Quebec was a distinct society and that they were happy with it. When asked the question "What does Quebec want?" in 1980, we answered, "We want Canada." We got the feeling then that Canada was telling us, "Yes, we want you too, as you are." Then all of a sudden we realized that people were starting to raise questions. However, of the 35 conditions set by the Parti québécois in 1981, 1982 and 1983, Mr. Bourassa kept only a minimum of five.

We have noticed that the inflexibility showed by the Reform Party in the West is growing throughout the country except in Quebec. When I show these articles to my constituents of Mégantic—Compton—Stanstead, you can imagine what they think. Can you imagine what they think of this Canada you are proposing, of the Confederation of Regions Party in the Maritimes, of the NDP's change of heart after approving the Meech Lake Accord, of the Liberal leadership race in progress? What do my constituents think of the language crisis and of all these Ontario municipalities declaring themselves unilingual English. What a joke! What do they think of Manitoba's, New Brunswick's and Newfoundland's attitude, of the other provinces' reservations, of this intransigence? Now that the deadline for approving the Meech Lake Accord is only some 90 days away, many Quebecers feel that the harm has already been done by these people I have just enumerated. Is it too late? I don't think so. When I was growing up, my mother used to tell me: "It's never too late to do the right thing." It's true, but we know it is late.

Quebec is still excluded from the Constitution. We have been excluded from this debate for nine years. A new resolution involving constitutional amendments to the Meech Lake Accord has been proposed today. Can we examine them without altering Meech Lake itself? I don't know. But one thing is for sure. I have always been extremely proud of my party's position, my leader's position, the Prime Minister's position on this, that never will there be any constitutional process in Canada without Quebec's presence. That was stated in 1983, 1984, 1985, 1986, 1987, 1988, 1989, and now in 1990, and I am convinced this is just as true, it is a principle that cannot be changed. It cannot be changed for all the reasons I stated earlier. There is nothing that can be done to change that.

The amendments now put forward by Premier McKenna of New Brunswick definitely stem from good intentions. I understood and listened to the speeches made by the Prime Minister, who spoke extremely well, and by the representatives of the Liberal Party and the NDP. Yes, there are good things to look at. Certainly, if Meech Lake had been signed two years ago, maybe we would now be in our second constitutional round. But the process now put forward, that of an official committee of the House of Commons, is an official process of constitutional negotiations or talks. And as I now speak, Mr. Speaker, Quebec is not a part of that process, because the position stated by Premier Robert Bourassa and his Minister of Interprovincial and Intergovernmental Affairs. Mr. Rémillard, is quite clear: Quebec will not discuss any amendments to Meech Lake, any companion resolution, any parallel accord, until Meech Lake has been signed.

I see you are indicating my time is up, Mr. Speaker. I would ask you and hon. members in this House not to see the clock for the remaining two minutes I need to conclude.

• (1700)

[*English*]

The Acting Speaker (Mr. Paproski): Is it agreed that we allow the hon. member two extra minutes?

Some hon. members: Agreed.

[*Translation*]

Mr. Gérin: So we have this proposed process, a public consultation process which will allow all those Canadians, and particularly Canadians from provinces other than Quebec, I suppose, to come and express themselves in a formal forum. Discussions can take place, but I do not think that process should be given a formal status.

I heard the Prime Minister say that eventually, this committee report might be brought to a vote in this House. To me, this is a very formal step. But if at that time the Government of Quebec has not taken part in these constitutional discussions, I cannot see how we in this House of Commons could be called to vote on a such a matter. It is to us a most fundamental matter of principle. I think this House would never agree to a repetition of what was done in 1981 under the leadership of Mr. Trudeau and Mr. Chrétien. I think that traumatic experience was so deep, we could never go through it again, so the process put before us today might go no further than discussions. It could perhaps stop at some

recommendations or a list of recommendations. It could go as far as a precise recommendation to the House. It may come to a vote. I do not know how far the official process initiated today will go. At this moment when it is put under way, Quebec is not part of it. But the Government of Quebec did not officially object to its consideration by the House of Commons.

Editorial writers in Quebec are now divided on the issue of whether we should stay on that course or withdraw from that special committee or process.

So, personnally, Mr. Speaker, I will keep out of it. I want my non-participation to that proposed resolution to be clearly understood. Obviously, I could not vote on a resolution introduced in the House and I fail to see how Quebec members from all three parties in the House could do so. I would urge the committee to carefully examine Quebec's minimum demands and explain these demands to other Canadians, because I am convinced that these extremely minimal demands, once properly explained to Canadians across Canada, would break down the intransigent attitude that is doing so much harm to Quebec. In fact, recent public opinion polls have shown that today, a majority of Quebecers would say yes to sovereignty for Quebec yes, we want to separate. But it is not too late. Someone said it was the eleventh hour, but I would say, Mr. Speaker, it is five minutes to midnight.

[*English*]

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion of the hon. member for Vancouver Centre.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion (Ms. Campbell, (Vancouver Centre)) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion (Mr. Mulroney) agreed to.

The Acting Speaker (Mr. Paproski): It being 5.05 o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

BILL OF RIGHTS

SUGGESTED CHILD PROTECTION COMMISSION

The House resumed from Thursday, February 15, 1990 consideration of the motion of Ms. Langan:

> That, in the opinion of this House, the government should consider the advisability of negotiation with the provinces to provide a comprehensive Bill of Rights for children which would standardize laws throughout the country, and that this Bill of Rights include a child protection commission and an emergency hotline which children could contact in times of crisis.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is a pleasure to rise today and speak in favour of this motion. I would like to set out the motion because I will refer to the motion later in my presentation. The motion reads:

> That—the government should consider the advisability of negotiating with the provinces to provide a comprehensive Bill of Rights for children which would standardize laws throughout the country, and that this Bill of Rights include a child protection commission and an emergency hotline which children could contact in times of crisis.

First, I would like to point out to the House and to all people viewing today that in a recent news release it was announced that Prime Minister Brian Mulroney will join Prime Minister Benazir Bhutto of Pakistan in co-chairing the World Summit for Children to be held at the United Nations September 29 to 30. This was announced by the United Nations.

The summit will discuss policies to ensure the protection and development of children. This motion of my

colleague, I believe, furthers some of that which has been set out and will be discussed in September. It comes as somewhat of a shock that the members of the government side have spoken at length, essentially in opposition to various parts of this motion.

They have taken four positions which I will set out. The first is that the division of powers in the Constitution Act of 1867 gives the provinces jurisdiction over civil rights and children. The second argument against this seems to be that the Charter of Rights and Freedoms provides for the legal rights of children. Third is that the ratification of the United Nations Convention will necessitate harmonization of Canadian laws affecting children, thereby negating the need for a domestic bill of rights. Fourth is that the implementation of a Canadian bill of rights for children would limit the flexibility of governments in responding to the need of children. I would like to speak on each of those points individually in my presentation today.

First, while it is clear that Section 92(13) of the Constitution Act does give jurisdiction over property and civil rights to the provinces, and that the Supreme Court of Canada stated in 1938 that child welfare was a provincial responsibility, this does not preclude the federal government from action with regard to children. The criminal law and various programs administered by Health and Welfare, for example, the drug and alcohol programs, child sexual abuse programs, child care funding through CAP and others, affect children and are not regarded as an infringement on provincial powers.

In dealing with the second matter, the sections of the Charter do apply to children and action has been taken to ensure the legal rights of children. However, the UN Convention goes beyond defining legal rights for children to include social and economic rights, which are not covered by the Charter of Rights and Freedoms. A domestic bill of rights would make clear Canada's commitment to the social and economic rights of our children.

Dealing with the third matter, there has existed a federal-provincial-territorial committee examining the impact of ratification of the United Nations Convention and how it would affect existing and needed legislation by all levels of government. While ratification would indicate provincial and federal compliance with the United Nations Convention, without a domestic means of enforcing the convention, no remedy other than moral suasion exists to ensure the rights are respected. Without a domestic bill of rights with a mechanism to seek redress and compliance, the United Nations convention remains largely symbolic.

Dealing with the fourth matter, once ratified the United Nations Convention requires that signators comply with it and that they report on action taken to implement the provisions of the convention. As such, rather than limit flexibility, a domestic bill of rights for children would set down enforceable guidelines which would allow for a wider range of policies than now exist to protect and provide for the welfare of children. That a bill of rights would restrict flexibility is a conservative argument that sees bills of rights as a ceiling of protection rather than a floor upon which rights can be expanded.

In short, what we are seeking is not an infringement on provincial jurisdiction any more than the Charter of Rights and Freedoms is an infringement on those powers. What we seek is a binding national statement of the rights of Canadian children in compliance with the UN Convention on the Rights of the Child.

• (1710)

Our motion is explicit that consultation and negotiation with provinces be undertaken before such a bill of rights comes into force. That is the reason I read the particular motion. It is to be emphasized that consultation and negotiation with the provinces is to be undertaken before such a bill of rights comes into force. As such, what we are asking is what has already been started and will have to continue in order for ratification to come about.

What the United Nations has in mind for its children's bill of rights is that every child has the inherent right to life, and that the state shall ensure maximum child survival and development. It also states the following points. Every child has the right to a name and nationality from birth. Children should not be separated from their parents unless competent authorities forbid it for their well-being. The state should protect children from physical or mental harm and neglect. The state should ensure health care as provided to all children. Primary education shall be free and compulsory as early as possible. Discipline should respect the child's dignity. Children should have time to rest and play and have equal opportunities for cultural and artistic activities. The state should protect children from the illegal use of drugs. Children of minority and indigenous populations

shall freely enjoy their own culture, religion and language.

It seems to me that this is not too much to ask in a society such as ours where we are working hard at projecting what we want not only in Canada but in the rest of the world. It seems to me that the motion put before the House today is a motion that would protect those children and progress the arguments not only here but around the world. It should be a projection that will show the world that Canada is at the forefront, that Canada is willing to stand up for what we wish for others within their own country for their own children.

Many stories abound of children living in poverty, of children who are abused physically, mentally and sexually, of children who go to school without food and without adequate care. We in this party care for the children of Canada and are asking through this motion that something be done about that.

Today's children need to grow up in a secure, social and economic circumstance if they are to become full participants in tomorrow's society as productive workers, effective parents and responsible citizens. The social and economic costs of failing to provide these circumstances are exceedingly high. Hardship, ill health and educational failure are the daily realities faced by children who grow up in poverty.

In Canada, infant mortality among poor children is twice the national average. Twice as many poor children fall behind in educational achievement by the age of 15.

This motion is a small step to resolving these problems. I urge the House to accept and adopt this motion.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to speak only briefly on this motion, Motion No. M–254. I want to speak in favour of it because, obviously, it is one which is very important. It is most important that the children of this country have a bill of rights which would strive to standardize laws throughout the country and to offer child protection, an emergency hotline and those other things that such a bill of rights would include.

At the time that we are meeting now there is an issue which is before the United Nations. We know that in 1959, I believe it was, the United Nations adopted the Declaration of the Rights of the Child. That declaration at that time spoke of the rights of handicapped children and other children. Although I do not have the text in front of me, I remember a portion of the text, particularly the preamble which states: "Whereas the child by reason of his or her physical handicap requires special protection before as well as after birth—"

I am sure, Mr. Speaker, that you know what I am going to mention next. It is that I feel that this bill of rights, if and when we ever have one in this country, should include the rights of children before as well as after birth. It could be that the person who proposed this motion would not agree with me on that point, although I hope that she will.

That being said, I happen to believe that the rights of children 10 minutes before birth or 10 minutes after are, in natural law, identical. I think the laws of this land should give children equal protection before as well as after birth.

There is no mention of that in this motion. But, on the other hand, there is nothing that would exclude that possibility either. So I suppose the motion need not be amended because it certainly does not exclude the proposition that I make at this juncture.

However, if the government adopts the initiative put forward by my colleague, with which I agree, I hope that it sees fit to include those rights of children in that bill of rights, whether those children are born or conceived and not yet born. As far as I am concerned those rights need to be recognized.

As a matter of fact, civil law does recognize the rights of unborn children. That is not a new concept. It is one that has been held constantly in this country and in others. The House will know of a number of cases where a testator has awarded his or her belongings to his or her children. The courts have always decided in such cases that a child conceived, yet unborn at the time of the death of such a person, was equally qualified to be a recipient of any belongings given in a testament.

That principle has always been held in civil law. So it follows, as far as I am concerned, that a bill of rights should give at least equal rights to a child yet unborn.

If such a bill of rights would not include the rights of the unborn child then there obviously would be a double standard, and the double standard would be as follows: A child yet unborn could be the recipient of the proceeds of a testament provided that someone did not kill him or her before birth. To me that would be a situation which is unacceptable in common sense as well as natural law.

• (1720)

So I would hope, if and when the government enacts or proposes to this House such a bill of rights as advocated by our colleague, the hon. member for Mission—Coquitlam, that the bill will include the provisions which I have just described.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, it is indeed a pleasure for me to speak during this fifth and final hour of debate on Motion No. M-254 with regard to a bill of rights for children. As a member of the Metropolitan Toronto Council for 11 years, the rights of children was an issue that I was certainly very concerned about. I spent 11 years as a member of the Children's Aid Society in Metropolitan Toronto and also served on a provincial children's services committee as well as on a committee of the Association of Municipalities of Ontario. Certainly, this is a motion that greatly concerns me.

The motion reads:

> That, in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive Bill of Rights for children which would standardize laws throughout the country, and that this Bill of Rights include a child protection commission and an emergency hotline which children could contact in times of crisis.

I want to thank the hon. member for Mission—Coquitlam for placing this motion before the House, a motion which focuses on protecting the rights of our children. No one can deny Canada's most important resource and, in my view, Canada's most important people.

If there is any one group in our society that is particularly vulnerable and in need of protection, it is our children. That being said, this government is responding by actively pursuing its commitment to ensuring the healthy growth and development of every child in Canada. Nevertheless, this goal represents a very challenging and complex task.

Since the hon. member tabled her motion last year, much has happened in regard to families and children. In particular, Canada and the world as a whole have witnessed the adoption of a major initiative, the United Nations Convention on the Rights of the Child. I would like to argue that, as a result of this change, the motion for another bill of rights may no longer be the most effective, appropriate route to address the needs of Canada's children.

The UN convention covers a wide spectrum on children's rights and, as such, fully satisfies the part of the motion before the House which speaks to the need for a comprehensive bill of rights for children. In this regard, this convention is intended to establish a modern, international standard for addressing the social, economic, political, religious, cultural and civil rights of children all over the world.

As well, the convention provides for the protection of children from abuse, neglect and exploitation, the protection of children with disabilities and the protection of children without families. The adoption of this convention will require the review of all our institutions and legislation to ensure that it conforms with the convention.

This could require amendments, not only to the Charter of Rights and Freedoms but also to other laws. I think about the incidents I personally have encountered in my constituency in regard to immigration and the refugee backlog. I think the adoption of such a convention would certainly have a major impact throughout our entire system.

The list of possible initiatives reflecting the convention are, therefore, endless and would include, for example, an emergency hotline for children, which was mentioned in Motion No. M-254 and which, in fact, has been the object of recent federal support. This could also possibly include a child protection commission, as the hon. member has suggested, or a secretariat for children, as has been requested by the Canadian School Trustees Association.

The federal government has already pledged $1.3 million towards an emergency hotline, the Kids Help Phone, which offers counselling, information and, if appropriate, referral services to Canada's seven million children. Since May of last year the Kids Help Phone has

received well over 70,000 calls, so it is certainly a great success and obviously meeting a tremendous need.

The convention, through Article 27, also speaks to the right of every child to an adequate standard of living and calls on state parties to take appropriate measures to assist parents in fulfilling this right. State parties will, therefore, have to examine issues like financial deprivation among children—something which we in Canada tend to call child poverty—and to assess the need for action. In Canada, of course, child poverty and the need to alleviate poverty among children is an issue which has drawn, and rightly so, increasing attention, including in this House.

As you will recall, last November the House addressed the important issue of child poverty and unanimously supported the motion by the former hon. member for Oshawa which focused on seeking ways to eliminate child poverty before the year 2000. As part of this debate, the remarks of the Minister of National Health and Welfare outline the government's support for efforts addressing the child poverty issue.

Furthermore, a House subcommittee, on which both the hon. member and I sit, as well as other hon. members, is now examining possible action plans for addressing child poverty. As part of its activities it is hearing from many of the key groups representing the interests of children and families.

Formalizing the convention in Canada, and thereby furthering the aims of the bill of rights for children, will require a co-operative effort between the federal government and the provinces, given that many of the obligations in the convention fall within provincial and/or shared jurisdiction. To this end the federal government is now seeking the support of the provinces and territories for signature.

Efforts are also currently under way through federal-provincial consultations on the question of ratification of the convention. Given the broad scope of the UN convention, this government believes strongly that the convention is a much more potent and effective tool to support the rights of children. Moreover, given that the convention is already in place and Canada is now considering its ratification, we believe it also serves as a most timely vehicle.

So rather than starting down on a new track, I would like to ask the member whether she would agree to substituting the former recommendation of the government that we now endorse the UN convention, which will certainly lead to the implementation of everything in her proposal and, in so doing, have a unanimous motion of the House that we can all start work on today. I understand that with unanimous consent this is quite possible. Consent would certainly be forthcoming from this side of the House.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I rise today in this House to support this bill of rights for children. Certainly, the principles that are involved are among the noblest. Before I suggest a few refinements to what might be done, I want to review some of the statistics with respect to children in this country.

We have roughly five million children in elementary and secondary schools. We have approximately half that number at the preschool and kindergarten levels and, although we cannot call our college and university students children, there are over 500,000 young people in our universities and over 330,000 young men and women in our colleges.

We have talked about poverty in this House on a number of occasions. There are between three and a half to five million poor in this country, and over one million of those individuals are children. They are poorly fed and ill-housed. Often they do not have the basic supports that you and I would want for our own children.

It has also been indicated in the House that there are more soup kitchens or food banks in this country than there are McDonald's restaurants.

• (1730)

This is a relatively rich country. However, we have three and a half to five million poor in Canada, one million of whom are children. I ask you to pause for a moment and think of the plight of children throughout this world.

In spite of the fact that many of our boys and girls have a lot available to them, there is still much that needs to be done. Yes, we have impressive educational programs in place at the elementary, secondary and post-secondary levels, and yes, we have many other programs that are supportive and will help them develop and become the adults who will make significant contributions to their society. But there is still much abuse.

We hesitate often to mention sexual abuse, physical abuse, emotional abuse, but it does exist. It hurts me, as I know it hurts many, many Canadians to acknowledge this reality. We must do everything in our power to eradicate this from society.

[*Translation*]

There are many programs in place to provide support for our young people. I find that very encouraging. However, I think what we need is an in-depth study not only of what is available today but of what we could and should be able to provide for young people.

I wish we could also give thorough consideration to the kind of support we should give parents in the home as well as working parents. To me, it would be hard to find a nobler cause than this one: to implement a policy or legislation that enables us to do everything we can to promote the well-being of all children, of all young Canadians. I think that if we do this, we would also be able to help children in other countries who are not as privileged as our own.

[*English*]

The Acting Speaker (Mr. Paproski): Before I give the floor to the hon. member for Mission—Coquitlam, I must inform the House that pursuant to Standing Order 44(3), the reply of the mover of the original motion will close the debate. The hon. member for Mission—Coquitlam.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, we have had five hours of debate on this motion, a debate which has for the most part recognized the importance of enacting in law programs and policies which will protect and further the welfare of our children in Canada. I would first like to thank those members from all sides of the House who rose to speak to this motion.

We have heard support for this motion from all sides. Yet that support has not been without hesitation. Some members hesitate because they see technical or jurisdictional problems which would halt the development of this national bill of rights for children. They have brought to this place a list of the programs funded and administered by the federal government. They have noted the importance of provisions of the criminal law in protecting children and the advancements made. But still they cannot fully support this motion. They do not want to infringe on provincial jurisdiction.

But that is exactly what this motion seeks to avoid. It calls for negotiations and consultation, not to dictate. It calls on the federal government to begin negotiations with the provinces to put into Canadian law the rights and ideals of the United Nations Convention on the Rights of the Child.

Without such a move, the 10 years of effort which Canada led, I might add, to bring this convention in at the United Nations to the point of ratification will be lost. Without a domestic law, Canadian children will be denied recourse and denied a voice in their own futures.

Many children in this country live in poverty. They are exploited in the workplace. They are the victims of sexual abuse. They fall prey to the influence of adults who would draw them into a world of crime, drugs and violence. They frequent food banks. They go to school hungry.

All members, both in the government and opposition, know this. In fact, a number of members cited many of these problems in their addresses to this House. Yet what we have heard is, "yes, but—".

That is not what our children deserve. Our children care not about the constitutional division of powers in this country. They want and deserve a secure future, a future which respects their rights as individuals of value, a future where hunger, poverty, abuse and exploitation are not to be tolerated but are to be eliminated.

We in this place have the responsibility to exercise our rights as parliamentarians, to take this small step to see that the future of our children is a better one than that endured by so many children today.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

• (1805)

Before the taking of the vote:

Mr. Gauthier: Mr. Speaker, I rise on a point of order.

There is a special procedure for voting during Private Members' Business. I want to suggest, Mr. Speaker, that in order to allow all members to vote according to their own voting patterns, rather than doing it by party, that you proceed with the vote row by row, and not party by party.

The Acting Speaker (Mr. Paproski): Is the House in agreement that the division should be taken by rows?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It is at this point that I would like to remind hon. members that the voting will begin by my asking those members who are in favour of the motion in the rows to my right to rise by row, and then with those members in the rows to my left. Later, I will ask those members who are opposed to the motion in rows to my right to rise and end with those members opposed to the motion in the rows to my left.

The House divided on the motion, which was negatived on the following division:

(*Division No. 209*)

YEAS

Members

Allmand	Angus
Arseneault	Assad
Bélair	Benjamin
Black	Blaikie
Boudria	Butland
Callbeck	Clancy
Duhamel	Edmonston
Fisher	Funk
Gagliano	Gardiner
Gauthier	Grey (Beaver River)
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Kaplan	Karpoff
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
MacWilliam	Maheu
Manley	McCurdy
McLaughlin	Milliken
Mitchell	Murphy
Nault	Parker
Peterson	Riis
Robichaud	Robinson
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Volpe	Whittaker
Wood	Young (Beaches—Woodbine)—52

NAYS

Members

Andre	Attewell
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Browes	Cadieux
Cardiff	Chadwick
Clifford	Cole
Corbeil	Corbett
Couture	Darling
DeBlois	Della Noce
Desjardins	Dobbie
Duplessis	Edwards
Fee	Ferland
Fontaine	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hicks	Hogue
Hudon	Hughes
Jacques	James
Jelinek	Johnson
Joncas	Kempling
Koury	Langlois
Leblanc (Longueuil)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Nicholson	O'Kurley
Plourde	Porter
Ricard	Richardson
Robitaille	Schneider
Scott (Victoria—Haliburton)	Shields
Siddon	Sparrow
Tardif	Thacker
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Turner (Halton—Peel)
Van de Walle	Venne
Vien	Vincent
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard	Worthy—82

The Acting Speaker (Mr. Paproski): I declare the motion lost.

It being 6.15 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Wednesday, March 28, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

GOVERNOR OF THE BANK OF CANADA

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, this morning we read in the newspapers that Canada's number one banker, the Governor of the Bank of Canada, Mr. Crow, has had annual salary increases ranging from 12 to 21 per cent since he was appointed in 1987, while the Canadian average was 4.5 per cent in 1988 and 5.25 per cent in 1989.

Nevertheless, Mr. Crow insists that a 5 per cent increase is inflationary. The government is taking steps to reduce the deficit and asking Canadians to help by tightening their belts. The salaries of the members of this House, Mr. Speaker, have increased by an average of only 2.8 per cent annually over the past six years.

Without wishing to question Mr. Crow's competence and credibility, I think he has a duty to practise what he preaches. This morning, Canadians were indignant, as I was, when they heard the news.

I hope Mr. Crow will be more consistent in the future and will take the necessary corrective action.

* * *

[*English*]

ANNIVERSARY OF GREEK INDEPENDENCE

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, it gives me great pleasure to rise in the House today to extend warm wishes to the Greek community in Canada as it recently celebrated, on March 25, the one hundred and sixty-ninth year of Greek independence.

This event stands as a proud testimony to the dynamism of the Greek people, their history and their culture. One hundred and sixty-nine years ago the Greek people ignited the first spark of a democratic movement as they fought for freedom against the Ottoman Empire. Since that time, the people of Greece and Greeks around the world have carried the torch of democracy proudly and with great dignity.

Almost daily we open our newspapers and read of sweeping political changes taking place all over the world. Everywhere the voice of democracy seems to be booming. However, it saddens me that while in other countries there is a general ease of tension, the situation in Cyprus has not changed. For the past 25 years Canada has had peacekeeping troops in Cyprus.

I strongly urge the government to apply whatever pressure possible to encourage demilitarization and dialogue so that democracy might once again be restored and Canadian troops can return home.

* * *

CHILDREN'S BILL OF RIGHTS

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, last evening this House had the opportunity to pass a motion presented by my colleague from Mission-Coquitlam. The motion called on this government to negotiate with the provinces and develop a bill of rights for children. It would have given legal standing to the UN Convention on the Rights of the Child.

In debate, the government side expressed its genuine concern for the future of Canada's children. There were compassionate voices from that side of the House. But last night we witnessed the victory of partisanship over principle. Eighty-two government members voted against this motion. They turned and voted against a bill of rights for children.

Mr. Speaker, I am still shocked. This government denied Canadian children rights that we want for all the children of the world. To add insult to injury, the Prime Minister has agreed to co-chair the World Summit for Children. Such hypocrisy. The actions of this government yesterday show that it cares more about the

limelight of the international stage than the future of real children in Canada.

I want Canadians to know that we had a great opportunity to help all children and I want Canadians to know who ended that hope; it was the 82 members on the government side who voted against a bill of rights for children.

* * *

CHILDREN AND HOSPITALS WEEK

Mr. Stan Wilbee (Delta): Mr. Speaker, this week marks the eleventh anniversary celebration of Children and Hospitals Week. Children and Hospitals Week is a public awareness campaign which focuses attention on the unique needs of children and family as they interact with the health care system. This year's theme is commitment to caring and a major goal of the week is to promote health care policies and practices which are both sensitive and responsive to the emotional and developmental needs of paediatric patients. Children and Hospitals Week is sponsored annually by the Association for the Care of Children's Health.

I invite all Canadians to celebrate Children and Hospitals Week by taking part in special events such as health fairs, hospital tours and, for the NDP, Teddy Bear clinics and balloon launches.

Finally, I applaud the Association for the Care of Children's Health and its members for their commitment to promoting the psychosocial well-being of children and families in health care settings.

* * *

MISS TEEN CANADA

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, as the opposition critic for youth, I today want to salute a young lady from my riding who was named Miss Teen Canada.

Tonya Goss was a student of mine at Notre Dame High School just a few years ago. I recall a time when we were talking about the Parliament of Canada and studying Canadian history. She is now becoming a part of that by being named here in this House of Commons and saluted by all of us for her accomplishments.

She was an excellent student and an effervescent young lady who was not only captain but coach of the cheerleading team. I believe that Tonya Goss will not only represent the city of Welland well; she will represent the Niagara Peninsula and, indeed, all of Canada as she travels extensively both within Canada and without, representing us. She will be a fine ambassador and I do indeed salute her in all of our names.

* * *

[*Translation*]

GOVERNOR OF THE BANK OF CANADA

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, *Le Devoir* reported that since 1986, the Governor of the Bank of Canada has had salary increases ranging from 12 to 21 per cent. Without wishing to question Mr. Crow's dedication, since we all know he is waging a tough battle against inflation, I think we should remember that the average Canadian has to make do with an annual increase of about 5.25 per cent.

Mr. Speaker, I think it is important that we keep things in perspective.

* * *

[*English*]

GOVERNOR OF THE BANK OF CANADA

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I, too, was shocked to learn that the battle against inflation being waged by the Governor of the Bank of Canada does not extend to his own salary. I had fully expected that the man who asks so much from western Canadians would lead by example. Instead, I find that Mr. Crow has accepted wage increases of at least 12 per cent a year for the past several years and now the media reports a salary of up to $243,000.

How can we continue to ask the regions of this country to suffer today in order to have a better future tomorrow while at the same time Mr. Crow himself acts as as contributor to the inflation we are trying to control? I cannot justify these salary increases and I cannot ask my constituents to understand how this happens.

The newspaper headline reads: "Crow has no choice but to keep interest high". I will keep my interest high if Mr. Crow refuses his increase.

• (1410)

VETERANS AFFAIRS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, one of the most unconscionable aspects of the finance minister's recent budget was the cuts to our veterans. Canadians realize that we must ensure that the surviving Canadian veterans, who fought to restore freedom to millions and to help change the history of the world for the better, should be given every consideration.

Yet this government has decided to show its respect by forcing many of our veterans in long-term chronic care to pay as much as 400 per cent more for board and lodging. This government has also reduced the Veterans Independence Program by $18 million. This program assisted those 60,000 veterans still living at home with housecleaning duties they can no longer maintain themselves.

As veteran Captain P. L. Bender from my riding of Nepean wrote: "Such a move is highly inconsiderate and thoughtless. There are not many veterans left and all young people should remember that the life they are enjoying today is due in some considerable degree to those who fought in the wars".

Our veterans deserve better. They have already paid their dues.

* * *

GOODS AND SERVICES TAX

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the so-called campaign for fair taxes is a real con job being perpetrated on the public.

Unfair taxes are those which: (a) are hidden from consumers; (b) negatively impact on lower-income Canadians; (c) discriminate against Canadian goods in favour of imports; and (d) are applied at different levels to different things.

The GST does none of these things. It is an up-front, visible sales tax. The GST credit will shield lower-income Canadians who will end up better off under the GST than before. It removes the discrimination against locally produced goods, and it is applied uniformly to goods and services.

I believe in fair taxation, that is why I support the GST. That is why a vote against the GST is a vote against fair taxes.

* * *

CORPORATE TAXATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the nominees for corporate welfare bum of the week are again three major corporations that did not pay any federal income taxes in 1988. They are: Brascan, Confederation Life Insurance and Xerox Canada. The three companies had combined profits of close to $400 million but did not contribute their fair share of taxes.

Were these companies so hard up that they could not contribute to their favour charities, the Liberal and Conservative Parties? Of course not. For instance, Xerox Canada gave over $11,000 to both the Liberals and the Conservatives.

And now for the winner. The envelope, please. And the winner is Brascan. Brascan is the corporate welfare bum of the week. It did not pay income taxes on profits of $263 million but it did give $50,000 to the Tories and $25,000 to the Liberals in 1988. Brascan did not forget to "dance with the one who brung ya".

* * *

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, Canadian farmers are hurting right across Canada, from the wheat grower in the prairie provinces to the corn producer in southwestern Ontario. Net farm incomes are the lowest in decades in many provinces. Farm bankruptcies have increased dramatically. In fact, in Saskatchewan, they have tripled in the last three years to 152 last year. Farm incomes are so low that at least one-quarter of the grain producers in Saskatchewan are facing the loss of their farms. Bankers will not give loans any more on the basis of equity, but purely on the basis of cash flow, and many grain prices are so low that the crops will not cash flow.

I call on the government to respond to this tragedy for tens of thousands of Canadian farm families and to provide emergency assistance now.

Oral Questions

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, on March 26, the Ontario Government announced that over 10,500 acres of the Rouge River Valley System will be saved as a park.

As much as Premier Peterson's announcement is to be congratulated, it is the thousands of Save the Rouge Valley System organization volunteers to whom we owe our greatest appreciation. For over 17 years, SRVS has fought to protect the incredible wilderness as a park. The announcement is a tribute to their dedication and to their commitment.

We in this Chamber, and especially you, Mr. Speaker, can also be proud of the role that we have played in helping to save the Rouge. Over one year ago, the federal government committed $10 million toward the creation of the park in the valley and two months ago this Chamber unanimously endorsed a motion I put forward to save the valley.

Let us all celebrate this victory for the people of Scarborough and for the environmental future of Canada.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Yesterday, the provinces rejected his efforts to get them to help him collect his goods and services tax. This means that if the tax should ever come into law, we will be the only country in the world with at least 10 different sales tax systems.

In his White Paper on sales tax reform in 1987, the minister said: "If all governments were to have different tax bases the system would be a national tax in name only. Effectively, it would be unworkable."

Yesterday, the minister admitted that if his proposal for a goods and services tax went into effect, he would be putting into effect a system which he himself said in 1987 would be unworkable.

Why is the minister trying to ram this tax through the House of Commons? Why does he not simply withdraw it? Instead of trying to put through a tax he characterizes as unworkable why does he not go back to the drawing board and create a truly fair tax system for all Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that this will be a fair tax system for all Canadians. With the introduction of the goods and services tax credit, which will help low-income Canadians offset a good portion of sales tax, compared to the system existing today the new system will be much fairer.

The hon. member has referred to the fact that the provinces have not seen fit to join in with us to collect the tax. That is true. But there are a number of other efforts under way through which we are working with the provinces to develop ways of reducing the complexity of the tax to minimize the compliance burden. We are taking advice from the small business sector as to ways we can do this.

I believe that the result will be a less complex tax for the small business community and something which should provide a basis for expansion of that co-operative effort into the future so it will have more co-operation from the provinces and less overlap.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, small business people have a quite different view of the effects on them of the minister's goods and services tax.

John Bullock, President of the Canadian Federation of Independent Business said: "When you talk to a small businessman about operating two totally unharmonized retail sales tax systems you are talking about a nightmare." Those are not my words. They are those of Mr. Bullock, a leader of small business in this country.

Once again, why will the minister not withdraw this unworkable sales tax proposal, send his departmental officials back to the drawing board and tell them to develop a totally fair tax package for the country which would not be a nightmare for small business and which would be fair to all Canadians? Why will he not do that instead of trying to stick to a tax which he himself admitted, when he first started talking about it, would be unworkable if there was not one single sales tax base?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, for the last 50 years now we have had one royal commission after another, one task force after another. There have been five royal commissions, task forces and

committees recommending that we move away from the existing sales tax.

John Bullock agrees we should be moving away from the existing sales tax. The Canadian Chamber of Commerce agrees we should be moving away from the existing sales tax. The Business Council on National Issues, the manufacturers association, the construction association, the exporters and the importers have all recognized what the leader of the Liberal party has not recognized, that we have a tax system that, today, does not work. It is unfair. It is administratively so complex that the regulations for that tax are three feet long. It is time for us to change.

• (1420)

We have put forward a proposal which is quite workable. It is going to be a much better tax system for our exporters. It will put Canadian producers on a level playing field with the importers with which they compete.

Today, Canadian producers pay one-third more than the exporters with which they are competing. This is the change that we want to make and we believe it is a good change.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of Finance said in his own paper two years ago, and I quote: "If all governments were to have different tax bases, the system would be a national tax in name only. Effectively, it would be unworkable".

I would therefore ask the Minister of Finance why he insists on imposing a tax on Canadians which he himself has said is unworkable and which small businesses see as a nightmare. Why do we need a tax system that is both unworkable and a nightmare?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, possibly it would be of interest to Canadians to know why the Liberal party wants to keep a tax that is deeply hidden in the price of everything that we buy. Possibly Canadians would like to know from the leader of the Liberal party why the party is in favour of a tax that adds a hidden tax to everything that we export. Possibly Canadians would like to know why the Liberal party is in favour of a tax that taxes Canadian products one-third more than the imports with which they compete.

Would the Leader of the Opposition let us in on the secret? Why have they taken this stupid position?

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is directed to the Minister of Finance. He just finished quoting the Canadian Federation of Independent Business and the Chamber of Commerce as being supporters of his goods and services tax because they want to get rid of the present federal sales tax.

I want to ask the Minister of Finance if he is going to repeat that again because he knows full well that the Chamber of Commerce in Saint John last year and the Canadian Federation of Independent Business still today insist that if you cannot get this tax right by getting provincial co-operation you should stick with the federal sales tax because this is an administrative nightmare.

Is the minister denying that that is what the Chamber of Commerce and the Canadian Federation of Independent Business say?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are many organizations which agree that we should be getting rid of the existing sales tax. Even my hon. friend is on record as saying the existing sales tax is wrong and it should be changed. All members of the finance committee in the last Parliament—Liberal, New Democratic and Conservative— agree that the existing sales tax is a mess. We, as a government, have to take that advice. We, as a government, have to put up our proposal for the best way of fixing it.

Sure there are people who would like to have a lower rate. Sure there are people who would like to tax food. Sure there are people who would like to have a national sales tax, including the provinces.

We would like to have a national sales tax too but, unfortunately, the provinces are not ready for that. They know that there are things that they could do to help us improve their compliance burden and those provinces are helping us take steps to improve the compliance burden.

The government has to move ahead. We were elected to govern. We were elected to face the problems of the nation. We are going to deal with one of the major problems that we are facing today.

[*Translation*]

Mr. Douglas Young (Gloucester): I have a supplementary, Mr. Speaker. The Minister of Finance said earlier in answer to a question, that the new goods and services tax would be fairer than the present tax. Is the minister prepared to tell the House today whether his government will index credits for the neediest in this country? Will the credits for Canada's most vulnerable taxpayers be completely indexed? Yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are treating the goods and services tax credit in the same way as all other elements of the tax system. That is, it will be indexed at a level of consumer price index less 3 per cent. We have demonstrated time and again since we put in that provision that we make adjustments in an appropriate way to take into account the changing circumstances of people in low income brackets.

We have increased the refundable sales tax credit threshold from $15,000 to $16,000 to $18,000, and now, with the GST credit, it will be $25,000. We have increased the size of the child tax credit. We have also made changes in the income tax system that came into effect in 1988 which took 850,000 people off the tax rolls by making adjustments in the index formula.

That is precisely how this government will operate in the future. Where it is appropriate we will make the changes to improve the position of low income taxpayers.

* * *

[*Translation*]

AGRICULTURE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of Agriculture. As the minister is well aware, many Canadian farmers feel there is a crisis in this particular sector. Farmers deserve adequate compensation for all the work they do and for their production costs. This is only fair. Will the minister immediately set up a national plan for farm income stabilization?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, yes, I am indeed aware of the difficulties that the agriculture community faces, particularly in Saskatchewan and the prairie region where depressed prices, drought and other factors have led to a serious downfall in projected net farm income.

The hon. member asks whether we would put in place a new stabilization program. I can advise her that that is, indeed, one of the major priorities that is being undertaken as a result of the agriculture policy review.

We expect the task force that is studying this particular issue in depth to report back to us by April 30.

I might also indicate to the hon. member that I will be meeting with ministers of agriculture tomorrow to talk about the agriculture review process and options for the possibility of putting together a package that might alleviate the farm income situation as well.

Ms. Audrey McLaughlin (Yukon): My supplementary question, Mr. Speaker, is to the Minister of Agriculture. Of course the minister knows that the crisis is now. It has been going on, however, for some time. I would like to remind the minister that in October 1988 the Prime Minister said that we are not going to allow a single farmer to hang out to dry simply because the Americans and the Europeans have a subsidy war going on.

I would like to ask the minister about his program for farmers. It now appears that the United States is going to extend the American farm bill to 1995 providing American farmers, as he knows, with guaranteed protection against a depressed world market. Yet, here in Canada the government has failed to come to terms with this. Farm incomes here in Canada are expected to go down by 43 per cent.

We need those programs now. When will the government put Canadian farmers on an equal footing with American farmers and guarantee Canadian farmers the support equivalent to the price support that their American counterparts are going to have?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Yes, Mr. Speaker, I am very much aware that the need is now and that is precisely why, in December, we set up a federal–provincial monitoring committee to look at the various facets of the farm income question. It is a multi–faceted question. The low commodity prices as a result of the trade war being conducted between the European Community and the United States is indeed a factor.

If the hon. member is suggesting that all the help farmers need is the equivalent of what the United States has been paying with respect to the Export Enhancement Program, I can tell her, for her information, that so far this year the Americans have spent $140 million on the Export Enhancement Program. I think the problem is much more serious than that and I can assure her that we will be dealing with it in that vein.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I quite agree with the Minister of Agriculture that this requires a number of initiatives including the farm stabilization program and help to assist our farmers in getting a fair price for their produce.

• (1430)

I would like to ask the Minister of Finance about another initiative that this government could take. Canadian farmers are not suffering from inflation that the Minister of Finance so often speaks of; they are suffering from deflation. The minister knows that Canadian farmers are paying out billions of dollars in interest on land which is worth less than it was six years ago. This cannot continue.

Will the minister act immediately to look at implementing a program of protected interest rates for all farmers?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, under the provisions of the Farm Debt Review Board there is flexibility in the administration of that to take into consideration interest rate reductions and to take into consideration declining values in farm land. One of the areas we are looking at is an expansion of that program to make it more flexible in order to deal with the current situation, particularly as it applies in western Canada.

I should say as well, for the benefit of the hon. member, that with respect to the livestock industry we just announced last week a continuation of the deferral program on the sale of livestock in the drought stricken areas of western Canada. If there are any other affected areas in Canada, we will apply it there as well.

I might ask the hon. leader of the New Democratic Party to prevail upon her colleagues when we do have important agriculture legislation like the crop insurance program, which was filibustered for two or three days by the NDP. That does not do a great service to the farmers or the people of Canada.

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PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Roy Romanow, Leader of the Saskatchewan New Democratic Party.

Some hon. members: Hear, hear!

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, my question is directed to the Minister of Finance. The minister failed to keep his promise that he would not tax food. With the GST, the Minister of Finance is going to tax all baked goods. More than 85 per cent of Canadian families eat cookies, baked goods or pastry with their meals. Will the Minister of Finance finally admit to Canadians that he misled them, since he is also taxing food with his GST?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is a matter that is before the finance committee of the House of Commons. I think that is where it should be dealt with. Once the finance committee reports, then the government will respond.

[*Translation*]

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, I hope the chairman of the finance committee is listening to the minister. Yesterday at a press conference, the president of Culinar stated that more than 300 jobs might be lost in East Montreal because of the GST. Will the Minister of Finance keep his word and refrain from

taxing food? Or even better, will he withdraw his proposed goods and services tax?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer to the second question is the same as the answer to the first question.

The hon. member is talking about things that are currently being discussed by the finance committee of the House of Commons. Until it reports, it would be inappropriate for the government to make any comment.

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WAR CRIMINALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. I want to ask the minister a question that I raised with the former minister by letter and in the House of Commons in May 1988, namely the fact that Wilhelm Mohnke, a former SS officer, alleged to have murdered dozens of Canadian prisoners of war, is living today without challenge and in comfort in West Germany.

The minister, when I asked before, gave me an answer that was meant to imply some type of activity on his part. It now appears that he did absolutely nothing to press the West German government to act on this case. I want to ask the new minister whether she will take up this case. Will she press the West Germans, on behalf of the families of victims in Canada, to take action in the case of Wilhelm Mohnke?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like first to remind the hon. member that it was this government that did take up the question of war crimes and war criminals, instituted the Deschênes commission, and brought laws before this House which now make it possible for us to prosecute war criminals.

Unfortunately, the gentleman to whom he makes reference is a citizen of the Federal Republic of Germany whose own laws prohibit them from extraditing their own nationals.

We have as early as 1976 advised the West Germans of our information with respect to Mr. Mohnke, and there is an ongoing investigation. Unfortunately, under the terms of our international agreement with West Germany, I am not at liberty to reveal the details of that investigation except simply to say that it is ongoing and that appropriate efforts are being made to bring the information to the attention of the West Germans.

My officials have raised and discussed this case with the West Germans. I take the hon. member's question at face value as expressing his serious concern for this issue. I will certainly undertake to raise it in addition with my colleague, the Secretary of State for External Affairs.

[*Translation*]

Hon. Bob Kaplan (York Centre): The minister pointed out the limitations of the government's present policies. These do not apply to German criminals because they are not prepared to extradite their own nationals. That is why it is important to make representations at the political level. The minister said she would make representations to the Secretary of State for External Affairs, but what is she going to do about the Germans, or what is her colleague going to do to ensure that something is done–in this case, about a war criminal living in Ottawa?

Hon. Kim Campbell (Minister Justice and Attorney General of Canada): Mr. Speaker, I cannot answer for my colleague, the Secretary of State for External Affairs. I repeat what I said in English, namely that my department has been investigating the matter, and we are looking into this. As soon as I have anything to report to the House, I will do so.

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TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is directed to the Prime Minister.

Some hon. members: Go on! Go on!

[*English*]

Mr. Barrett: The Prime Minister has indicated publicly that he would not be scandalized, among other things, if Canada, the United States and Mexico had a free trade agreement.

Now that we are aware that the United States and Mexico are engaging in negotiations for a free trade agreement between those two countries, is the intention for Canada to be a participant in trilateral negotiations for a free trade agreement, or will there be an observer at the U.S.–Mexican discussions about free trade?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in answer to the hon. member's question, I first want to say that his French was so impeccable it deserves the applause of all members in this House.

Some hon. members: Hear, hear.

[*English*]

Mr. Mulroney: We are advised of the general interest of the Government of Mexico to expand its trading horizons with other countries, including perhaps the United States. We have received no formal notice of that, nor have we been advised of any arrangements that might directly or indirectly impact on trading arrangements that we have.

Should that come about, I can assure my hon. friend that we will exercise all the vigilance he would want us to in those circumstances.

[*Translation*]

Mr. David Barrett (Esquimalt—Juan de Fuca): I thank the Prime Minister.

[*English*]

I want to inform the House that your English is impeccable as well.

The Prime Minister has claimed that over 200,000 jobs have been created by the free trade agreement over the long haul of the agreement and that 25,000 of them were created last month.

I know the Prime Minister to be a man of his word. I have seen no evidence of those 200,000 jobs listed in detail or no evidence of 25,000 jobs created last month. In order to avoid the press criticizing the Prime Minister for not being accurate and backing up his statements, I would ask the Prime Minister, through you Mr. Speaker, if he is prepared to table in detail those 200,000 jobs that have been created according to him by the free trade agreement and the 25,000 created last month, in French or in English.

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will table them, in both official languages. I should say *en passant* that it is a very good thing that my hon. friend did not display such remarkable agility in the other official language in December; otherwise the present leader of the New Democratic Party might have been in serious trouble.

Some hon. members: Oh, oh!

Mr. Mulroney: Somebody said she already is, and I disagree with that completely.

Some hon. members: Hear, hear!

Mr. Mulroney: I think she is doing a tremendous job and we should all sustain her in those efforts.

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps this discussion could be continued elsewhere perhaps the right hon. Prime Minister would answer the question.

Mr. Mulroney: Mr. Speaker, since the free trade agreement came into effect in January 1989, there have been 257,000 new jobs created in Canada. Ninety per cent of those jobs have been full time, 79 per cent of those jobs have gone to women. Forty-nine per cent of the jobs created since January 1989 have been created in western Canada, the vast majority of them in the province of British Columbia.

Mr. Barrett: Give us the list.

Mr. Mulroney: My hon. friend asks for a list. Well, 7,000 new jobs in Nova Scotia; 5,000 in New Brunswick; 16,000 in Quebec; 102,000 in Ontario—

Some hon. members: More, more!

Mr. Speaker: Perhaps not the whole list at this time.

Some hon. members: Oh, oh!

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FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Notwithstanding our current difficulties, the Atlantic fishery is a $1 billion industry that needs to be protected. Some are suggesting that aerial surveillance of our Atlantic waters will end with the elimination of the tracker fleet.

In view of these concerns, will the minister advise the House as to what measure he is taking to ensure that there is continuity of protection for this valuable resource?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I am sure that this question is prompted by a Liberal member raising this matter last week in order to have Atlantic Canadians believe that we are doing less. The fact of the matter is that there will be no lapse—and that was the suggestion—in air surveillance in Atlantic Canada.

If we look at this year, for example, we had something like 1,750 hours of air surveillance in Atlantic Canada. Under the new contract which is about to be announced at $28.5 million, this will go up to 3,850 hours. Even back home in Atlantic Canada that is more, not less.

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[*Translation*]

TRADE

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Prime Minister.

[*English*]

Yesterday, the Minister for International Trade confessed that he was not aware of the free trade talks between Mexico and the United States.

This is a government that prides itself on its very close and special relationship with the United States. Can the Prime Minister explain to this House how, when this trade deal has such profound implications for Canadian businesses and workers, his government was not made aware of it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why my hon. friend is offended by the idea of free trade, in view of the remarkable support free trade is now getting from the Government of Ontario. If it is good for Ontario, it has to be good for Mexico.

Some hon. members: Oh, oh!

Mr. Mulroney: The Government of Mexico can initiate talks with whomever it wishes, at whatever time it chooses. It has not initiated any conversations of this kind with the Government of Canada, nor am I informed has it done so with the Government of the United States.

If there are exchanges which interest us or impact upon treaties that we have concluded, we will of course exercise that degree of vigilance that is appropriate and will intervene. I will be happy to report to my hon. friend as these matters develop.

Mr. Jim Peterson (Willowdale): On this point, Mr. Speaker—

Some hon. members: Oh, oh!

Mr. Peterson: —maybe I could quote for the Prime Minister an official from the office of the Minister for International Trade office. He said yesterday regarding the Mexican free trade deal: "One of the big advantages we were promised under free trade, preferential access to the U.S. market, could—disappear".

Did the government address these concerns when it was negotiating the free trade deal with the United States? If not, how could it have been so derelict in its responsibility toward Canadian businesses and Canadian workers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend will understand that I cannot comment on the views of an unidentified official who remains anonymous after my hon. friend's question.

The free trade agreement dealt specifically with the kind of concern that is being raised by my hon. friend. We put in the rules of origin provisions in the free trade agreement which prevent the kinds of things that my hon. friend is concerned about.

I noticed the other day that he said he was fearful of the fact that low wages in Mexico could have a deleterious effect on Canadian jobs. But, here is the Government of Ontario putting out a $500,000 ad which boasts that relatively low wages in Ontario at $13.80 per hour compared with $18.30 per hour in Michigan will have a beneficial effect upon the economy of Ontario. Make up your mind. If it's good for Ontario, surely it has to be good for other provinces and other countries.

HEALTH

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Sixty-four per cent of the former workers at the coke ovens in Sydney, Nova Scotia who have died in the past 26 years were being treated for cancer. I realize the provincial responsibility here, but the minister is well aware of this serious situation and has been requested on many occasions to do health studies of that region.

Will he announce today that he will be doing health studies of the coke ovens area in Sydney, Nova Scotia as soon as possible?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare is very much concerned about this issue. Some years ago we gave information to other officials who were involved, indicating our concerns about the health effects. We have communicated with the Government of Nova Scotia to indicate that we are prepared to provide any possible assistance to them in doing any research they would like to see done.

As the hon. gentleman pointed out, the responsibility for occupational health and safety belongs to the province. We stand by available to help out if we can, but it is their initiative to take.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I know that the minister would not want to give the impression that the Government of Canada is hiding behind the responsibility of the province of Nova Scotia. I know he feels, as I do, that this is a very serious situation. He also knows that there are things the federal government can do, particularly in public dialogue with the province of Nova Scotia to get it to move on this issue. The health of Canadians is at stake.

With the health of Canadians at stake and with the seriousness of this situation, will he not do more than the federal government has done in the past?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, as I indicated earlier, we are very much concerned about the health of all the people in the area. As the hon. gentleman recognizes, the responsibility for occupational health and safety is that of the province. We cannot violate the Constitution of Canada.

We are doing everything we can, and that is to offer to the Government of Nova Scotia any possible assistance we can provide in terms of giving advice or conducting studies. We would be pleased to do that. We are standing by to give any assistance we can provide and we are available to do that. The initiative must be theirs.

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• (1450)

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

On March 14, the Minister for International Trade told the House: "There will be no raw herring exported to Japan by this means or any other."

The minister was referring to the 107 permits issued by the international trade department to processors to allow export to the U.S.

Over the past weekend there was concern over the attempt by a B.C. company to export 300 tonnes of unprocessed roe herring to Japan. According to officials in the international trade department the company withdrew its request.

Will the minister clearly indicate just what is the federal government's policy with respect to export permits for herring and salmon?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I will confirm the minister's answer in the House some time ago. Under the Canada–U.S. Trade Commission agreement reached last month, the government will not issue export permits for unprocessed Pacific herring to any country, except the U.S., when valid certification is presented that the herring in question will be consumed there or processed to the same degree as in Canada.

The Department of External Affairs and International Trade has established the procedures to allow my department, DFO, to review any application for export permits that do not meet the herring export control requirements.

That is the situation, and that is the policy of the government.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I am sure that the fishermen's union on the coast will be very pleased to hear that. Had it not been for its picketing action, those herring would have left Vancouver and be halfway to Japan by now.

On another matter, the report released by the Employment and Immigration Advisory Council confirms what many in Atlantic Canada have been saying for months, namely that the crisis in the fishery will likely become much worse before it gets any better.

The Harris report was delivered to the Department of Fisheries and Oceans some five and a half weeks ago. When will the report be made public, and will the government commit itself to bring to the House the long promised aid package including any necessary legislation by the end of March?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I do not know if I can meet the deadline being imposed here today for the end of March, but I can tell the hon. member that this government and my colleagues have been engaged in this process for quite a while.

As I have said in the last three weeks, I have consulted with many people in Atlantic Canada about the fisheries situation, the Harris report, as well as initiatives we can take to ensure that a viable fishery industry in Atlantic Canada is the goal.

I am confident that in the not too distant future we will be able not only to release the Harris report, but also tell how we intend to go about dealing with the recommendations made therein.

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HOUSING

Mr. Stan Wilbee (Delta): Mr. Speaker, my question today is for the Minister of State for Housing. We all know that the minister has recently been doing a lot to alleviate the housing situation in Toronto. Now, with the whole world wanting to move to beautiful British Columbia to take advantage of the jobs that the Prime Minister was just telling us about, Vancouver has taken over from Toronto in the least affordable city category.

I would like to ask the minister today what he is planning to do for housing in the Vancouver area.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the hon. member has indicated, because of all those jobs being created in Vancouver and in British Columbia people are flocking to B.C. and to Vancouver and, as a result of that, there is a most severe affordability situation there.

The government has been taking some action and is expecting to take some more in this regard. First of all, we formed a federal–provincial–municipal joint committee on housing affordability. It met for the first time this week.

Also I announced a month ago a new government initiative called "Affordability and Choice Today" aimed at producing more affordable housing by speeding up the building approval process, as well as by getting the municipalities to accept different forms of housing which will house more people in the same area.

In addition, we are looking at surplus federal government lands and I hope to be able to make an announcement about that before too long.

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PORTS CORPORATIONS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Finance and concerns the disastrous effects of his recent budget on Atlantic Canadian ports.

On February 20, the minister announced that Ports Canada will have to cough up a $100 million dividend to the federal government. In the port of Halifax this 400 per cent increase in its payments to the government has resulted in the cancellation of a number of projects for port upgrading.

In light of the fact that the port of Halifax needs these projects to remain competitive with ports on the American seaboard, why is this government pursuing a policy which denies Canadian ports the resources necessary to keep traffic and jobs from flowing south of the border?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, in an effort to reduce the deficit all the resources of the country, including the the ports corporations, were asked to make a contribution. We have reviewed the plans of action of all the ports and came up with what we

felt was a reasonable amount to be contributed by each port.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, this government is acting like the school yard bully extorting the lunch money from the smallest kids on the block.

Industry analysts have warned of an impending crisis in competitiveness of eastern Canadian ports. At the same time that the ports of New York are spending literally billions of dollars on upgrading to attract traffic from Canadian ports, this government has abdicated its responsibility to have a Canadian ports policy.

How can the minister possibly justify his government's fiscal policy which will see American ports having a distinct competitive advantage over Canadian ports on the east coast? How can he possibly justify that?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I can tell the hon. member that I have been reviewing the various areas of the portfolio. I have every intention of sitting down with the ports commission. I have not had any direct representation to the best of my knowledge on this issue, but I certainly will take it up with the Halifax Port Commission.

* * *

VIA RAIL

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. As he knows VIA Rail recently sold its "Rocky Mountaineer" passenger service in western Canada, a very popular and very profitable service.

This is not the first time that this government has moved to sell its services. One group of people that has been left out in this discussion is pensioners. As rail passenger services across this country are privatized, will the minister please inform the House whether or not CN and CP pensioners will have their passes acknowledged so they can use them?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I should tell the hon. member that that particular run was sold off to a group that feels, with the new cars it will be able to buy, it can increase tourism in that particular section of the country. We encourage that type of action, because VIA is in the business of running a nation-wide rail system and not just a particular tourist action.

I will take the hon. member's question under advisement and endeavour to find out exactly what that did to pensioners' passes on that particular run.

* * *

WOMEN'S PROGRAMS

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I have a copy of a letter dated yesterday which was sent to the Secretary of State from his colleague, the Minister for International Trade. The letter concerns the cuts in funding to women's programs that are closing women's centres across this country. The letter says:

> I can assure you that the women of Newfoundland and Labrador will suffer desperately without these centres.

It goes on to say:

> Since the cut to core funding for women's centres in Newfoundland is only $240,000—and the national figure amounts to only $1.6 million, it is hard to believe that money is the real issue here.

The letter urges the minister to consider every possibility to keep the women's centres open.

• (1500)

Since the Secretary of State refuses to listen to the women of Canada and to the women who have been in Secretary of State offices in Newfoundland for two days and two nights— who are still there—will he listen to his colleague in his cabinet and reinstitute the funding to women's centres immediately?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, there is a meeting under way this afternoon between senior officials of my department, who went to St. John's today, led by the Associate Under-Secretary of State and the director of the women's program.

They are meeting with the citizens who have spent the last couple of days in the offices of the Department of the Secretary of State. We hoped that in the interim they would have begun to complete some of the application forms that have been available. We indicated the staff was available to help them fill in the applications, and I was prepared to fast track those applications.

We have funding that is available to help the groups implement a program to meet the social justice and equality parts of our program.

* * *

BUSINESS OF THE HOUSE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, just before you move to Routine Proceedings, perhaps I can deal with a matter for which I think you will find there is unanimous consent.

There have been discussions among the parties with respect to the following order:

That, notwithstanding any Standing Orders, standing committees of the House be empowered to sit together in plenary session and in a series of joint sessions to hold a parliamentary forum on global climate change;

That the plenary session be held on Monday, April 23, 1990;

That, notwithstanding Standing Order 115, the joint sessions of standing committees be held during periods coinciding with the hours of sittings of the House;

That all questions relating to the organization of the forum and implementation of this order be decided by a committee composed of representatives chosen by participating committees, chaired by Dr. Harry Brightwell, MP;

That the organizational committee be empowered to print a single, joint record of the proceedings of the forum.

Mr. Gauthier: Mr. Speaker, I wish to ask the government House Leader about television. Will televising of the proceedings be allowed?

Mr. Andre: The plan was to have these discussions and come back afterward to amend the order and deal with questions like television and so on.

Mr. Speaker: The House has heard the proposal of the minister. Is there agreement?

Some hon. members: Agreed.

Motion agreed to.

* * *

BORROWING AUTHORITY ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-65

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, while I am on my feet I wish to indicate that agreement could not be reached under the provisions of Standing Order 78(1) and 78(2) with respect to an allocation of time to the second reading stage of Bill C-65, an Act to provide borrowing authority.

Under the provisions of Standing Order 78(3), I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allowing a specified number of days, or a day, for the consideration and disposal of proceedings at that stage of the bill.

Mr. Gauthier: Mr. Speaker, I just want to remind the House that the government has allowed one hour and three minutes for discussion of Bill C-65, and this measure is the kind of treatment he gives to such an important matter. We take strong exception to the government using this strong-handed method.

Mr. Riis: Mr. Speaker, I think there must be some mistake on the part of the government House Leader. I say that because Bill C-65—

Mr. Thacker: You hypocrite!

Mr. Riis: You will have to withdraw that.

Bill C-65 asks permission to borrow $25.5 billion, and we have only had, as my colleague has indicated, a couple of hours of debate.

Mr. Gauthier: One hour and three minutes.

Mr. Riis: Already, the minister is indicating his intent to close off the debate on borrowing $25 billion. Has there been some mistake? Will we be allowed to at least have a few days to discuss whether the government should have the authority to borrow $25.5 billion and ask the taxpayers of Canada to pay that back?

Mr. Andre: Mr. Speaker, let me say parenthetically that it is encouraging to hear the New Democratic Party being concerned about borrowing. It seems usually that it is only concerned about spending. We welcome this conversion.

However, what has happened on this bill, is that we have had one day thus far. We will have another day of debate today. The bill will be called tomorrow. There will be debate then. When the allocation motion is read it will allocate subsequent debate as a result.

In the discussions that we had it was suggested to me that the appropriate number of days would not require you to take the mitt off your other hand, and that will be provided for in the time allocation motion.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 67 petitions.

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

* * *

[*Translation*]

CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

GOVERNMENT RESPONSE TO COMMITTEE'S RECOMMENDATIONS

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, pursuant to Standing Orders 32.1 and 109, I wish to table, in both official languages, the government's response to the report of the Standing Committee on Consumer and Corporate Affairs and Government Operations, entitled: "Charge It—Credit Cards and the Canadian Consumer".

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

* * *

[*English*]

EXTERNAL AFFAIRS

NORTHERN AFRICA

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, having just returned from Africa, I wish to report to the House on my assessment of the current situation in Ethiopia, and recent humanitarian and diplomatic initiatives which Canada has taken in regard to the crisis in the northern part of the country.

Members of Parliament will be aware that some four to five million people in the northern Ethiopian regions of Eritrea, Tigray and Wollo are now seriously threatened by starvation.

I wish I could provide the House with assurance that serious loss of life could be avoided, but I fear that that is not the case. The situation created by the drought was serious, but it was manageable. When augmented by the ongoing military struggle in the region, the situation has rapidly deteriorated and is no longer manageable.

The tragedy is that not one single Ethiopian needed to die as the result of the current crop failure. Donor governments had responded generously and international and local agencies were poised to ensure delivery to those hardest hit.

A variety of channels were foreseen—distribution by the government within the areas controlled by it, cross-border operations supported by the NGOs from Sudan into the rebel-held areas of Eritrea and Tigray, and relief corridors crossing battle lines into vulnerable rebel-held areas of Eritrea, Tigray and Wollo that could not be reached through the cross-border operations.

This was a complicated package, but one that could have worked if two elements had been achieved. The first was the continued availability of the port of Massawa for the trans-shipment of emergency food aid supplies. The second was an agreement between government and rebel groups to allow the safe transport of food across battle lines.

The EPLF offensive of February, which saw the port of Massawa fall into rebel hands, and the continued unwillingness of the Government of Ethiopia to allow the port to be used for food shipments while still under EPLF control have effectively ended any chance of seeing through the present crisis without loss of life.

It is a sad fact that we cannot guarantee the delivery of essential life-sustaining food to the inflicted of the region, if the political entities that guide their destinies continue to use food as a weapon to attain their strategic military and political objectives.

That is not to say that we will not do all we can. We will continue to press for peace, and we will continue to use all channels available to us in an attempt to minimize the impact of this famine. I must, however reluctantly, conclude that we have passed the point of no return for many of those most affected, and it is only a matter of

days until those agonizing reports of starving Ethiopians begin again to fill our newspapers and television screens.

• (1510)

[*Translation*]

Since the 1984 famine, which affected some 11 million people, our country has been one of the main providers of humanitarian aid in northern Ethiopia.

In all, the aid provided to civilians by the government and people of Canada has amounted to $300 million. This year, in addition to the approximately $26 million in aid that we have already sent through the United Nations and various non-governmental organizations, we announced initial commitments of $14 million for next year.

Canada has encouraged the warring parties to make peace and ensure the free movement of aid.

It has stepped up its diplomatic efforts: in Addis Ababa, we have had regular discussions with western donors, international humanitarian organizations and Ethiopian ministers and representatives; we have also contacted the Ethiopian chargé d'affaires in Ottawa and held discussions with the Secretary General of the United Nations and officials of specialized UN institutions in New York, Geneva and Rome.

Finally, we have continued the dialogue with representatives of the armed opposition fronts in Eritrea and Tigray.

In all our consultations with members of the European Community, the Soviet Union, the United States, the Nordic countries and Ethiopia's neighbours, we have pleaded for humanitarian and diplomatic intervention.

On December 20, 1989, I appointed the senior vice-president of CIDA, Douglas Lindores, special adviser on Ethiopia and its neighbours.

Mr. Lindores recently went to Ethiopia and the Sudan, heading a delegation of officers from External Affairs and CIDA.

The delegation met government representatives, representatives of rebel groups, of other bilateral donors, of the UN and non-governmental organizations, who are seeking ways to relieve the suffering of the Ethiopian people.

This week in Washington, Mr. Lindores met representatives of the EPLF and the TPLF, as well as a number of Americans involved in aid operations.

Just recently, Mr. Speaker, on March 18, the hon. member for Haldimand—Norfolk, the hon. member for Windsor—St. Clair, the hon. member for Kitchener—Waterloo and I had a meeting with President Mengistu and important members of his cabinet in the Ethiopian capital, a meeting that lasted over two hours. I explained Canada's position on issues of major concern including the famine, peace negotiations, political and economic reform in Ethiopia and human rights.

It is a fact that President Mengistu and his cabinet are under very strong pressure and have to manoeuver in the midst of a national crisis, but they do think the views of a country that has always provided assistance to Ethiopians are important.

During our meeting, I emphasized the need for immediately clearing a route to the interior of Tigray, in the south, and to use all other possible delivery routes to the north, including the port of Massawa.

I urged President Mengistu to deploy efforts for the resumption of peace negotiations between his government and the rebel forces.

I am referring to the negotiations conducted by former presidents Jimmy Carter and Julius Nyerere to bring the Ethiopian government and the EPLF closer together, and to those conducted by the Italian government with respect to the TPLF.

On March 20, the Ethiopian government announced that it would facilitate the relief operation which has started in the south, will cross the war zones and bring food to the north.

The Joint Relief Partnership, the JRP, consisting of the Ethiopian Red Cross Society and three church relief organizations: the Ethiopian Orthodox Church, the Catholic Church and the Mekane Iyesus Church, will channel relief to those who need it.

Perhaps, like me, you had the pleasure of watching television, last Thursday, when the first convoys arrived in the famine-stricken areas.

[*English*]

However, more—much more—needs to be done. The southern route must be supplemented by further intensive relief operations to ensure that food reaches all areas of the north. Traditional non-governmental assis-

tance to areas which can only be reached from Sudan must continue. I so informed the Ethiopian government.

As I have said, the port of Massawa is crucial if famine is to be avoided. To this end, it is essential that, notwithstanding the delicate political and sovereignty issues involved, the parties to the conflict take the high ground and make whatever arrangements are necessary to ensure the safe passage of food.

However, the determination of the Ethiopian government to recapture Massawa at all costs puts some shadow on that option.

I discussed these matters in Rome with Minister Lenoci of the Italian government and with the executive director of the World Food Program.

In Windhoek, Namibia, last week, I assured the United Nations Secretary General of Canada's support for an increased UN involvement in the relief efforts and the search for peace.

We should not underestimate the difficulties we face. On the one hand, rebel groups sense a final victory, while on the other, an embattled government struggles to preserve the territorial integrity of Ethiopia. Yet it is abundantly clear that only a just and enduring settlement of the Ethiopian conflict will bring to an end the suffering of the people of that country.

The peace process involving the Ethiopian government and the TPLF is resuming in Rome. The talks, under the chairmanship of Presidents Carter and Nyerere, are scheduled to resume in Nairobi, Kenya, April 8 to April 21, 1990.

The Canadian government has urged the Government of Ethiopia, the EPLF and the TPLF to accept that none will prevail by force of arms without unconscionable human suffering. We have urged them to pursue the negotiations to a successful and early conclusion and, in the interim, to permit the safe operation of relief efforts.

In this latter respect, belligerents are assuming a very grave moral responsibility.

Peoples everywhere have collected food to prevent famine and transported it to the region only to find that continued fighting is, in some key areas, interrupting delivery. How, in all conscience, can this be allowed? How can food deliveries be confined this way?

For my part, I am presently consulting with my colleagues from donor countries to underline the urgency of the situation and to ensure the greatest possible co-ordination in assuring food delivery to the needy.

At the same time, the Canadian government strongly supports an initiative by members of Parliament to mobilize international parliamentary support to seek an immediate agreement for the safe and assured delivery of all necessary famine relief assistance to all persons innocent to the conflict.

Let me end by reiterating the gravity of the situation as we found it.

Despite food aid which has been provided and will continue to be provided by the international donor community, fighting on the spot continues to hinder adequate, timely and sufficiently widespread delivery. A continuing stalemate in peace talks is unacceptable.

It is already too late for some. We appeal to the parties to accept that intransigency risks the lives of further innocent populations.

In conclusion, I assure members of this House, as we have assured the parties to the conflict and the chairmen of the peace processes, that Canada is ready to support the search for peace in any way that would be helpful.

• (1520)

I have received from the two opposition parties a resolution on the situation which we endorse. The resolution states:

> That this House, noting that:
>
> —4 to 5 million innocent Ethiopians in northern regions of Eritrea, Tigray and Wollo, are seriously and unnecessarily threatened by starvation;
>
> —Canada is a major aid donor to the region today and was so during the 1984 famine crisis;
>
> —and, further noting that Canada, with other western nations, could prevent today the loss of any life through starvation in the region;
>
> —does unanimously condemn any and all parties to the conflict in Ethiopia, Eritrea and Tigray who would use food as a weapon to attain strategic military and political objectives, or,

—who would not assist the international donor community to provide adequate, timely and sufficiently widespread delivery of food to the starving millions in the area.

The Acting Speaker (Mr. Paproski): Is it agreed to accept the resolution?

Some hon. members: Agreed.

Resolution agreed to.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, first, I would like to thank the hon. minister for reading my resolution and for having given her support to it. I also thank my colleagues on the other side of the House from the NDP.

It is with great sorrow and anger that we are reminded again today by the minister that some four million to five million Ethiopians living in the regions of Wollo, Eritrea and Tigray are once again on the verge of starvation.

We all remember so well the impressive and heartfelt response in 1984 of millions of Canadians from our poorest regions of the north to our wealthy businessmen of the south—those who responded so generously to the drought crisis in the same region which threatened 11 million persons.

It is with anger, a deep sense of outrage and even contempt that we realize that the current crisis is unnecessary but for the lack of political will on the part of all parties in the conflict between Ethiopia, Eritrea and Tigray. Government, rebel forces and parties outside the region encouraging the conflict must recognize and accept the condemnation of citizens and governments of the world who have tried in good faith to prevent the current impasse through diplomatic interventions.

I can only reiterate the words and sentiments of my hon. colleague across the floor that all parties to the conflict must take the high road, setting aside the political and sovereignty issues at stake and make the absolutely necessary arrangements to ensure safe passage of food to the innocent starving millions of Ethiopia.

Although we can all agree on this here in this House, I wish to impress upon the government that what has been done to date by the government and what we are doing here today is not enough. The minister has promised to continue to search for new ways to find a solution to lessen the holocaust which is beginning to take place again in the Horn of Africa. The unfortunate and regrettable fact is that Canada has not continually mounted the pressure we have seen in recent months in order to avert this new disaster.

We have heard the government's financial commitment this year and the initial contribution for next year. But Canadians will want to know on an ongoing basis what other aggressive actions this government is taking to resolve the crisis.

We cannot allow cycles of misery to repeat themselves. NGOs, who have an extraordinary ability to provide aid in ways that are not available to governments, must be provided with all the resources necessary that they are able to absorb.

I would be interested to know what exactly is the support that the Canadian government is giving to the initiatives of members of Parliament to mobilize international parliamentary support to aid the victims. Certainly, there is a member on the government side well respected for his experience and expertise in the area by diplomats and the NGO community whose services it would seem to me should not be restrained.

All members of this House and the Canadian public will want to be kept informed of the government's initiatives with regard to this crisis. We do not want to sit back and watch a disaster unfold.

We and Canadian citizens want to respond—knowing that all possible measures are continually being taken by this government to stop the disaster—to prevent this from ever being repeated again.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is my pleasure to respond to the minister's statement on behalf of my party.

The tragedy of Ethiopia is not a partisan issue. It is a tragedy rooted in ancient quarrels and historic enmities complicated by the intricate interplay of competing national interests extending throughout the Middle East and the Horn of Africa. Compromise has not been a virtue among the combatants. Intransigence is a matter of principle even when it results in the slaughter of innocents. Hence, in this once noble land of riches beyond the needs of its inhabitants, a local drought is expanded once again by a general violence into an epic famine choreographing the ghastly scenes of thousands of children dying in the arms of mothers who can but wait to die in their turn.

As noted by the minister, all three Canadian political parties were represented in consultations in Addis Ababa with the representatives of NGOs, the Ethiopian government and President Mengistu. Our goal was to facilitate the delivery of food to the starving, to contribute to the negotiations for peace and to measure the significance of economic and political reform in Ethiopia.

Through the efforts of donor governments, international and domestic organizations, arrangements have been made to provide food if safe delivery could be assured. Canada alone has already committed $40 million to the effort. Horribly, the bellicosity of the combatants in the many-sided civil war limits that humanitarian intervention. Food is a weapon in this conflict and the deaths of thousands is now inevitable.

Much of the reason for this certain catastrophe is the capture of the port of Massawa by the EPLF and Mengistu's adamant refusal to permit the delivery of food through that port. The remaining paths of delivery are the cross border between Sudan in the north and the southern route for which clearance for the first convoy was given by the Ethiopian government shortly after our consultations at the Joint Relief Partnership.

An Ethiopian government proposal to employ a logistically difficult and costly airlift was pressed upon us but was not supported by the aid donors. Because of the failure of effective food delivery in the north, food will also have to be provided for refugees in the Sudan. The real solution to the crisis must address the real cause of this starvation—the war or wars that prevent the distribution of food.

That is why New Democrats support the minister in pressing President Mengistu to urgently pursue peace negotiations with the rebels, as we support the pursuit of peace to every other diplomatic channel available. In this regard we laud the efforts of the Italians and Messrs. Carter and Nyere at mediation.

We also support the proposal to initiate an extra-governmental effort by an international alliance of parliamentarians in support of the peace process.

Because of the nature of the conflict and the engagement of diverse interests, these will have to be neutralized, whether from the neighbouring Arab states, Israel or the major players of east and west. My party and I stand ready to support this effort to achieve the peace and, if necessary, to commit Canadian personnel and resources to keep the peace. Without peace, no effort, no matter how great, no matter how noble, can hope to save the millions who will die not because of drought but because of starvation wrought by enmity and war.

* * *

• (1530)

PETITIONS

GOODS AND SERVICES TAX

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table two petitions today.

The first one consists of hundreds of signatures to be added to the thousands upon thousands that have already been tabled in the House, and it pertains to the government's proposed goods and services tax. Canadians are still lobbying the Tory government to abandon the implementation of the proposed GST.

The petitioners humbly sheweth that the Liberals on behalf of Canadians strongly oppose this new goods and services tax which is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment. Wherefore, the undersigned petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

EXTERNAL AFFAIRS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my second petition concerns Mr. Leo who has been arrested unlawfully in Taiwan. I do not know how many more petitions and representations Canadians have to make to the Secretary of State for External Affairs to get him to intervene in the case of Mr. Leo, a Canadian citizen who has been arrested unlawfully in Taiwan.

When a Canadian citizen is arrested unlawfully, be it in Canada or outside Canada, when speaking or exercising his right to freedom of speech, the Canadian government must not only intervene but be perceived as intervening in that Canadian citizen's case.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I am tabling today a petition from Chibougamau, in the riding of Roberval, Quebec, concerning the recommendations of the task force on tax benefits for northern and isolated areas.

Chibougamau is without a doubt an isolated community and for this reason, the petitioners believe that the Brunelle recommendation is unfair, discriminatory and inefficient considering the objective of the northern tax benefits plan. It does not promote settlement and resource development in the North.

[*English*]

GOODS AND SERVICES TAX

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I would like to take this opportunity to present petitions that I have received from constituents in my riding of Northumberland. These petitions speak out against the proposed goods and services tax legislation.

The people in my riding have many reasons for objecting to this, housing being one of them. Many of them are very concerned at the present time about renewing mortgages because of high interest rates, and they are also concerned about the extra costs on new housing that this tax will cause. With me, they are very concerned about the Governor of the Bank of Canada's announcement that he may have to increase interest rates yet again because of this proposed goods and services tax. The petitioners ask the government to withdraw the legislation.

Miss Deborah Grey (Beaver River): Mr. Speaker, pursuant to Standing Order 36, I rise today to present petitions on behalf of 4,000 people. These petitioners are mostly residents of Alberta but certainly others from B.C., Saskatchewan and Manitoba.

The petitioners are opposing the government's goods and services tax and object to this Parliament increasing taxation rather than reducing spending. They also object to taxation without representation as an unacceptable violation of their democratic rights. They, like the majority of Canadians, wish that their elected representatives, particularly on the government side, would vigorously and faithfully represent their interests in this matter, oppose the tax and instead reduce government expenditures.

Mr. Speaker, my second petition, pursuant to Standing Order 36, contains 69 names from my riding of Beaver River who request that, if the goods and services tax does go ahead and is imposed on Canadians, skating expenses such as equipment, instructors' fees, facility rentals and other expenses be considered as educational expenses and, therefore, exempt from the tax. This proposed tax will place a significant financial burden on young athletes who are involved in a pursuit which contributes to their physical and mental health and allows Canadian youth to enjoy more economically the great outdoors in northern Canada, a great Canadian pastime.

BILL 178

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, pursuant to Standing Order 36, I have a petition from some of my constituents. They are petitioning the government to use all its powers, or whatever powers it has, to disallow Bill 178 in Quebec. The bill was declared unconstitutional by the Supreme Court of Canada and is seen by these people more and more as the national irritant and the main source of the great disunity that we are witnessing in our country today.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, pursuant to Standing Order 36, I rise today to present a petition from a number of constituents in the riding of Okanagan—Similkameen—Merritt; from Penticton, Grand Forks, Osoyoos, and other places within that riding. These people are asking me to present this petition showing that the government has not addressed the unfair taxation system currently in place, which permits wealthy individuals and corporations to pay little or no federal tax, while forcing lower and middle income taxpayers to bear more of the national tax burden.

They are petitioning Parliament to cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a number of different petitions to present today. The first is a petition from Kamloops, British Columbia on the old topic. I think I have been delivering these petitions every

day for what seems like years, but I guess it has only been months.

The petitioners point out that the government's goods and services tax is wrong-headed and a terribly stupid idea. People are distressed that they are still having to put these petitions together because the government continues on. They point out that this tax will affect skating lessons, coffins, diapers, haircuts, books, heating fuels, and on and on, and they are asking the government to stop from proceeding with this tax.

FORESTRY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the government is expected to sign a forestry agreement with British Columbia by this weekend. So far no luck.

The petitioners are from British Columbia, and there are pages of their names. They point out the importance of reforestation and silviculture to the long-term best interests of the forest industry. They point out that the forest industry is Canada's number one exporter by far and its health is critical to the health of the country. They are urging the Government of Canada to enter into a federal-provincial forest resource development agreement to advance the regeneration of our forests. Time is running out, as I say, and Friday is the day.

CHILDREN'S BILL OF RIGHTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on a third topic, I wish to present a list of petitioners from all over western Canada. They point out that although the percentage of the population who are young children is actually decreasing somewhat, the number of children living in poverty is increasing. That is why the petitioners call upon members of Parliament to support Private Members' Motion M-252 for a comprehensive bill of rights for children, which as we know the Conservatives voted against yesterday. The petition is a little bit out of date, because the government voted against a comprehensive bill of rights for children yesterday evening.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Routine Proceedings

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, question No. 201 will be answered today. I ask that all remaining questions be allowed to stand.

[*Text*]

NAMES OF LAWYERS, NOTARIES OR LEGAL AGENTS PROVIDED TO THE FEDERAL BUSINESS DEVELOPMENT BANK BY ANY MINISTERS, MPS OR SENATORS SINCE 1984

Question No. 201—**Mr. Rodriguez:**

1. Since 1984, has the Federal Business Development Bank been provided with the names of lawyers, notaries or legal agents by any Ministers, Members of Parliament or Senators and, if so, by which ones?

2. Since 1984, have any lawyers, notaries or legal agents received work from the Federal Business Development Bank and, if so, which ones?

Hon. Thomas Hockin (Minister of State (Small Businesses and Tourism)): Insofar as the Federal Business Development Bank is concerned, the response is as follows:

1. See Annex A (attached).
2. See reply to Question 197 tabled February 23, 1990.

ANNEX A

MINISTERS

Minister of Regional Industrial Expansion
Minister of State (Small Businesses)
Minister of State (Small Businesses and Tourism)
President of the Treasury Board
Minister of State for Science and Technology
Minister of Veteran Affairs
Minister of State (Youth)
Minister of Communications

MEMBERS OF PARLIAMENT

Paul-André Massé, M.P.
Ian Watson, M.P.
Yves Demers, M.P.
Antonio Yanakis, M.P.
Don Boudria, M.P.
Michael Cassidy, M.P.
Norm Warner, M.P.
Bil Domm, M.P.
Girve Fretz, M.P.
William Attewell, M.P.
Joe Reid, M.P.
Thérèse Killens, M.P.
Alfonso Gagliano, M.P.
André Harvey, M.P.
François Gérin, M.P.
Edouard Desrosiers, M.P.
Andrée Champagne, M.P.
Gilbert Chartrand, M.P.
Carole Jacques, M.P.
Fernand Jourdenais, M.P.

SENATOR

Hon. Senator Orville Phillips

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, would you be so kind as to call Notice of Motion for the Production of Papers No. P–23.

MR. BRIAN O'N. GALLERY

Motion No. P–23—**Mr. Boudria:**

That an Order of the House do issue for copies of all logs, registers, correspondence and reports pertaining to the use of CN business cars by Mr. Brian O'N. Gallery in 1987, 1988, 1989 and 1990.

Mr. Cooper: Mr. Speaker, Canadian National's position is that the documents requested are confidential and proprietary in nature and their release could be reasonably expected to seriously prejudice CN's business and competitive position and to result in significant financial loss to the company. This was reflected in the chairman's report tabled in the House of Commons on February 12, 1990. Therefore, I ask the hon. member to withdraw his motion.

Mr. Peter Milliken (Kingston and the Islands): On behalf of the hon. member for Glengarry—Prescott—Russell, I would request that in light of the cover-up that is going on here this matter be transferred for debate.

The Acting Speaker (Mr. Paproski): Transferred for debate.

• (1540)

MOTION TO ADJOURN UNDER S. O. 52

PLIGHT OF WESTERN FARMERS

The Acting Speaker (Mr. Paproski): I have received a request for a motion to adjourn under Standing Order 52. I would like to hear from the hon. member from Mackenzie.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, very briefly, in my letter to you I outlined what I consider to be an urgent situation, that is the economic conditions facing western Canadian farmers. We know that they are the worst that have occurred since 1932, in the midst of the Great Depression.

The Farm Debt Review Board in western Canada recently reported that more than one-third of western farmers are in severe financial crisis. Bankruptcies and foreclosures are at alarming levels and predictions are that this year there will be a negative realized net farm income in the province of Saskatchewan. That means farmers will spend more money than they receive for the sale of their crops. They will have difficulty providing for their families and difficulty arranging the financing that is necessary to put in the coming year's crop.

Within the next three or four weeks, the farmers will be out attempting to put seed into the ground. As my letter also points out, the banks need three to four weeks to make a decision on an application for a loan. These loans are made on the basis of the cash flow of the farm. The bank wants to know how much money will be coming in and how much output there will be. They cannot make those calculations final until we and they, that is, the banks, farmers, and politicians know with some precision what sort of aid and assistance the federal government will be providing.

Since the two time limits are coming very close together, that is, the time limit for when seeding starts and when loans will be approved or rejected, it is extremely important that those announcements be made in the next day or so. Therefore, I move that in order to bring these matters to the attention of government, we have an emergency debate this evening.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): I appreciate the hon. member for Mackenzie giving me notice of the request for an emergency debate. I too feel that this is very serious. There have been some very questions in regard to the hon. member's standing order request, but it is not just appropriate at this time to have an emergency debate. I think we will wait, and it may be appropriate at another time.

Before I call Orders of the Day, I wish to inform the House that because of the ministerial statement, Government Orders will be extended 20 minutes.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY

MEASURE TO ENACT

The House resumed from Thursday, March 22, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–65, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Bill C–65 is a very important bill, and so far, this legislation has been debated for one hour and three minutes in the House of Commons. However, as all members will recall, earlier today, the Leader of the Government in the House of Commons gave notice that he would once again impose closure in other words, limit debate on this very important question.

Mr. Speaker, the purpose of Bill C–65 is to authorize the government to borrow up to $25.5 billion, which is 25 thousand million dollars. Canadians know perfectly well that when such enormous amounts are borrowed for the coming fiscal year, 1990–91, which runs from April 1, 1990 to March 31, 1991, that these amounts are needed to cover the government's budget deficit.

As we know, in his 1990 Budget the Minister of Finance (Mr. Wilson) announced that he intended to go to the financial markets to get this $25.5 billion.

[*English*]

Mr. Speaker, as you can see the government will borrow an amount which is less than its projected $28.5 billion budget deficit. This is because non–budgetary transactions will generate another $7.5 billion of revenue, which reduces the amount the government needs to borrow from financial markets.

These non–budgetary transactions include government employees' pensions accounts—this is the public service superannuation account which has a healthy sum in it which the government regularly borrows every year. It means they can also use accounts payable, cash in transit, and outstanding cheques. So that $7.1 billion is actually government bookkeeping, which allows them to use moneys they do not actually own but which they use to reduce or pay off the budgetary deficit by such transactions.

The $25.5 billion borrowing authority requested in Bill C–65 is accounted for as follows. The government deficit is $28.5 billion, the non–budgetary transactions are $7.5 billion; reducing the amount of $28.5 billion by $7.5 billion leaves $21 billion; exchange funds earnings will bring in about $1.5 billion, the foreign exchange contingency fund will bring in an additional $3 billion, for a total borrowing authority requested of $25.5 billion.

Members can find a complete explanation of the borrowing authority requested in Bill C–65 on pages 109 to 110 of the 1990 budget.

While I am on my feet, I would like to remind you, Mr. Speaker, that I am sharing our allotted 20 minute time with one of my colleagues.

[*Translation*]

Mr. Speaker, considering that Bill C–65 accompanies the Budget and seeks authority for the government to borrow to cover its budget deficit, I would strongly advise anyone with a desire to understand these transactions to consult the so–called post–budget analysis, a very impressive document prepared by experts in the field.

Mr. Speaker, now that I have basically explained the purpose of the bill, I am prepared to yield the floor to any members who may wish to comment further on this legislation.

The Acting Speaker (Mr. Paproski): Questions or comments? Resuming debate. The hon. member for Welland–St. Catharines—Thorold.

[*English*]

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, it is a pleasure to take up where my colleague left off on the borrowing bill C-65.

The sum of $25.5 billion is one which boggles the imagination. The salaries of thousands of Canadians would still not add up to the money this government is borrowing at this time to carry out programs which, for the most part, are programs that have been cut back from their election promises.

• (1550)

As the borrowing bill itself deals simply in money matters, I would like to put a face on this particular borrowing bill. In addition to the moneys which are going to be raised, ironically to carry out programs which are cut back, the House should also look more particularly at other revenues that the Minister of Finance is raising.

Last August, the Minister of Finance released details of his goods and services tax. After the presentation, he told reporters that nobody likes this tax. Then he added: "Let me be quite clear, we are absolutely committed to going ahead with this tax". He also announced that the goods and services tax, the GST, would create billions of dollars a year in revenue, would increase exports and create jobs. If this tax is supposed to create so many more billions in revenue, what in the name of goodness are we doing borrowing an extra $25.5 billion?

One of the questions which comes to mind is, if nobody likes this tax, why go ahead with it? Second, why indicate that this proposal will be implemented regardless of the feelings of Canadians, irrespective of any debates or committee hearings? Witness the charade that has been going on for the last few weeks in the finance committee. We have had filibusters. We have had the chairman of the committee, if not making a fool of himself, sometimes making a fool of the committee itself. I do not think that this is in keeping with our parliamentary procedures.

I and many other members of Parliament have tabled petitions. I have tabled over 14,000 names on petitions against this GST. This has all been done in the last few months. These signatures represent the opinions of thousands and thousands of Canadians. This is in addition to the letters addressed directly to the Prime Minister, the Minister of Finance and other elected members of Parliament.

We have a right to wonder if the government is listening to the people of Canada when it collects all of these billions in taxes. My colleagues say that it is not, and I agree with them absolutely. If it was listening to the people of Canada, then surely it would withdraw this terrible tax which is heaped upon the backs of those people who can least afford it.

The statement "absolutely committed" which the Minister of Finance made, is a clear signal to me that the government intends to impose this extra burden on Canadians, who have already contributed $120 billion to the treasury in 1989. That is $50 billion more than when this government took office in 1984. But it will not even listen to the plaintive and angry voices of Canadians who are so adamantly opposed to the goods and services tax.

On December 9, 1989, the Minister of Finance put forward his 7 per cent solution, stating that he had listened to Canadians. He must have listened to every Canadian I did not listen to because we have not been getting the same signals. The people of Canada have clearly stated that they do not want the GST and the new 7 per cent package is no more fair than the 9 per cent package was.

The issue is not whether we generate enough money to look after ourselves, but whether the government has the ability to plan and govern. This very day in the House, we are asked once again to give the government *carte blanche* to borrow $25.5 billion and we are supposed to do so with a glad heart. I, for one, am not at all enthused about granting them this extra money to play with, so that they can do what? Spend it on their big business friends and cut the programs of the poor? No, the government will not be getting my support on this.

I referred to the $50 billion more which the government collects in taxes every year than they did in 1984. The extra $50 billion, which was collected through a myriad of taxes, could have taken care of the deficit. Remember, this was a government that was elected on the basis that it was going to cut the deficit. It has doubled it in the five years that it has been in office.

There would have been some money left over to start retiring our big national debt. Here again, we have seen increases of staggering proportions. In 1983-84 the national debt was $160 billion. Projections for the end of

the fiscal year 1989–90 show our national debt reaching $351.6 billion. What a fantastic amount.

[*Translation*]

Even with these $50 billion, the deficit which was $32 billion in 1984 is still $30 billion per year more than we collect in taxes, and this is a government that claimed it knew how to cut spending in government operations and throughout the country. That has not been the case, Mr. Speaker, and I am looking forward to 1992!

[*English*]

Canadians are informed that family allowances will be cut because the government has no money. Senior citizens must face an uncertain future confronted with decreased old age benefits and this damnable clawback that the government has put forward.

This decrease is commonly known throughout Canada as the "clawback". I wonder why they did not just call it something gentle. Can you imagine the spectre of a great big claw coming down upon you? It is like the American eagle coming down on the little mouse and that mouse, in his last act of defiance, sticking out his tongue at the great American eagle. The Canadian people cannot stick out their tongues except to gasp in horror at how the government has mismanaged the affairs of Canada.

This is nothing more than a broken promise, or a set of broken promises. It is a frightening change in social policy, a change which is being implemented without prior consultation with the seniors. The clawback will soon be followed by another devastating tax, the infamous GST, the goods and services tax. Seniors and other Canadians agree that the deficit must be reduced. I agree with that. They also know that the goods and services taxes introduced in other countries have gone up 20 per cent.

My learned colleague on the other side takes this as a jest, as a joke that should be perpetrated on the Canadian people. I wonder if the people can pick up his laughter from across the aisle, as they are struggling to make ends meet in their homes with this extra burden of taxes. I would advise my hon. colleague, with all respect, that his laughter should not take place in this House. This laughter, if it is laughter at all, should be hidden away from the ears of the hardworking Canadian people who must pay these taxes.

We have made valuable suggestions to the government so that all Canadians might share the burden fairly. Did it listen? Not at all. It was far too busy preparing a costly advertising campaign which was misleading and in contempt of Parliament, as was said by the Speaker himself, and finally had to be abandoned because, to put it mildly, it was slightly premature if not illegal.

The GST will add to the cost of most essential goods purchased by ordinary Canadians. The Canadian Home Builders' Association says that the GST will increase the price of a typical new home nationally by $3,000, which is more than six times the cost estimated in the technical paper prepared by the finance department. Is this just more misleading of the House and of the people of Canada?

• (1600)

Cuts in housing rebates for low income Canadians amount to $400 million. The proposed changes to the GST do not address the affordability problem or housing for low income Canadians. In other words, the government is not listening.

This government is not doing anything to alleviate the burden it places upon Canadians. The increase in the cost of housing will vary by market areas from a high of $9,200 in Toronto and $4,700 in Vancouver to $800 and $1,000 in Charlottetown and Trois-Rivières respectively.

Some services have been designated as tax exempt. This does not mean the end result is tax free. For instance, a day care centre that is tax exempt will not charge the GST on its final invoice for day care services to parents. The day care facility will have to pay 7 per cent or more on all its purchases of books, equipment, et cetera. It will have to raise its fees to parents to recover these added costs.

Mr. Speaker, I see you are signalling me that my time is running out. I have many more points I would like to make, but I would like to end with these last two.

The list of taxable goods and services will now include such things as haircuts, funerals, stamps, taxi rides, cheque books, lottery tickets, car repairs, and a host of other items which Canadians buy every day. The Minister of Finance has exempted brokerage fees, underwriting fees and foreign currency trading, all items purchased predominantly by upper income Canadians

who could more easily afford to pay the new tax than average Canadians.

My last point, Mr. Speaker, and I have many more that I would like to make, but as the critic for youth for the Liberal party, I have said many times in the House that the future of Canada lies in the well-being of our youth. I have said we must educate them, train them, and give them a sense of responsibility in being a Canadian.

What kind of government is it that puts taxes on books, pens and on the very things so necessary to acquire an education in order to take their place in society? No, I am not in favour of this borrowing bill. I condemn the goods and services tax which I believe will be seen as one of the most dastardly bills ever put forward in the House of Commons.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened very carefully to my hon. friend. He reminded us that the legislation asks for the borrowing authority for $25.5 billion. That seems like an awful lot of money to borrow. I worry about borrowing $5,000 or $6,000 to buy a car. I start thinking about the payments and so on. But we are being asked by the government to give it authority to borrow $25.5 billion. I cannot even imagine what that would look like if it were in a pile. All I know is it is an awful lot of money.

I cannot remember when the House was asked to do something like this, to give authority to the government to borrow $25 billion. At the same time the government is saying it does not want to talk about it. The government has just given notice to stop debate.

I want to ask my hon. friend, a parliamentarian of long standing who has been here a long time and knows how things have gone over the years, if he can recall any time in the past when the government has asked to borrow so much money. The government is running things so badly that it is desperate to impose this 7 per cent goods and services tax. Can the hon. member recall any time when the government has asked to borrow so much money, but at the same time does not want to debate this legislation, so it will invoke closure to muzzle the duly elected people of Canada and keep them from responding to this request? Can he recall any such request in the past?

Mr. Parent: Mr. Speaker, not only can I not recall sums of this magnitude being asked for in the House of Commons from the governments of which I was proud to be a part, but when we tried to borrow sums of $5 billion to $7 billion it was viewed as the most enormous sums that had ever been asked for by the Government of Canada.

My colleague asks a question and to let him know that not only are they borrowing this money, but according to a study by the Canadian Council on Social Development and the government's own sales tax documents, a middle class family with two children and a total income of $45,000—$27,000 from one parent and $18,000 from the other—will have their taxes increased by over $3,400 in 1991, $2,797 by previous Conservative tax increases, and by $629 for the GST. We are asked to permit this GST to go through and to grant the government this enormous sum. This is truly unheard of in Canada.

I for one would associate myself with any members who would oppose this borrowing bill. The government must be brought to its senses. The best way to do that is right here in the House of Commons by pointing out to it the mistakes made and the mistakes it is making. Hopefully, this government will not make them in the future.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, this is the first time I have spoken in the House before closure was invoked. I really do appreciate that.

An hon. member: They have given us notice though.

An hon. member: It's like having a crystal ball.

Mr. Butland: I wish to speak against the borrowing bill. We recognize that the government requires money to run this country, albeit very poorly. We object to the priorities of the government.

The Acting Speaker (Mr. Paproski): Could I ask the hon. member if he will speak for 20 minutes, or 10 minutes plus 5 minutes?

Mr. Butland: Hopefully, about 20, Mr. Speaker.

During my 20 minutes I will refer to a couple of my favourite books. One is entitled *Tommy Douglas Speaks*.

That is a non-fiction book. The other one is *Where I Stand* by the right hon. Prime Minister and that is obviously a fiction book. Any resemblance between these two gentlemen will be purely coincidental.

When you hear the quotes from both books it is hard to differentiate between the two in what they say, but certainly in what they did and do are very, very different.

Mr. Douglas often said that fools, charlatans and evil doers will be exposed in open debate, with present company of course exempt. He also said: "We won't give up the fight against the government despite the adversity, despite their jackboot tactics, their non-democratic closure, their GST". He did not say some of this but I am paraphrasing it. That is exactly what he meant when he said "We are going to—" and I best not get too far astray from what Mr. Douglas said. "If your cause is just and right sooner or later you will win. It must triumph because it is a part of the warp and woof of the universe. No matter how many setbacks there may be along the road, you may be sure that someday the right and just will prevail. It will prevail simply because it is right and just."

That is why, despite the fact that this government tries to muzzle the opposition and the Canadian people from speaking against its policies, we must continue in the House and outside of the House to fight the government and its heinous policies.

This borrowing cannot be taken out of context of the budget. It is part and parcel of it. Everyone knows that the New Democrats stand for total tax reform, that this kind of willy-nilly borrowing and this kind of budget process would not be necessary.

• (1610)

My hon. colleague from Nickel Belt has become somewhat infamous, as far as the government is concerned, with his corporate bum of the week announcements. I asked him to provide the names of some of the groups of whom he has spoken these past several weeks. I am sure he will have another 20 years to go because there are so many.

I was disbelieving when I was told there were 86,000 profitable corporations in the country which did not pay tax. I did not believe it. In fact, it has proven to be 90,000. I will cite just a few cases. Perhaps the names are best unstated. With profits of $214 million one received a tax credit of $2.12 million. Another with $75 million profit received a tax credit of $2.86 million. But in its heart of hearts it found some money to donate to the party in power. I suppose that is honourable.

Revenue Canada answered when asked to define a large corporation that it is a corporation that makes about $7 million. My next question was why would a special tax of $.0175 be put on corporations that had profits of $10 million? The answer was to be fair and give or take a couple of million, what is the difference? One has to wonder if at the poverty level if a couple of thousand would not make a difference to the poor in this country.

Mr. Douglas said "the art of governing is the art of foreseeing, having a crystal ball". I agree with that. The Prime Minister from his crystal ball said in 1983: "It is a continuous fight card in which it is difficult to find winners and easy to identify the loser, Canada itself". It seems the phrase "the common good" has been struck from our vocabulary. The Prime Minister was prophetic as well but sadly prophetic. The common good seems to have left the country. Policies breed cynicism in the country. He has lost not only his foresight but lost his physical sight.

It is very easy to trace the losers in this budget. As a result we have to go through this borrowing bill. The losers are the prairie farmers, maritime fishermen, natives across the country, women's centres and the provinces. The have provinces have to suffer a little more than others. In that have group is the province of Ontario which is well off compared with some of the maritime provinces. Some people forget—in fact, the government has totally forgotten—that northern Ontario is part of the have province of Ontario.

We are not doing all that well and the government is not going to assist us, certainly not through the budget. Its acts of deregulation, privatization, reprofiling, rationalizing and all the buzz words of the government are not going to do anything for us. They are going to hit us in a very heavy-handed, negative fashion.

That brings me to my most unfavourite topic. All this is part of the government agenda. The free trade agreement was supposed to bring us all wealth and save each family $800 per year as the Prime Minister said. That is not happening. It was supposed to create 250,000 jobs. This past Monday I attended a forum in Sault Ste. Marie, Michigan. The Canadian official in charge of implementing the deal said that the free trade plan has been a bit player in the over-all picture. He also

admitted that it has failed to secure access for Canadians into the United States market. He has admitted that.

Gordon Ritchie, the former free trade negotiator, really is a candid individual. He said just this past week that free trade will not be a major creator of jobs. It will not be. That was a "specious claim". That means something that appears to be the right thing to say but, in reality, it is not true. It was a specious claim made in the heat of an election campaign. The Prime Minister made that specious claim 20 months before the election when he told Canadians free trade could produce hundreds of thousands of new jobs.

It seems that what they said and what is happening are both, indeed, specious claims. It is just not working out to our benefit. I have cited this so very often and I have had the opportunity to meet with our American counterparts. I found out what they thought about free trade. Their words to us are: "Don't bite the hand that feeds you. Canadians, keep quiet. You are not going to get any more of our market. Please realize this. Don't rock the boat". When our own negotiators and the American politicians tell us the same thing, I suspect we have some problems.

The indication was that social programs would not be hurt and, in fact, they would be enhanced. Well, unemployment insurance is not being enhanced. Family allowances and old age security certainly have not been enhanced. The government has attacked universality, even though it would not admit it. All of this is part and parcel of the government agenda—the government policy—that we react so negatively to. Therefore, we must vote against this borrowing bill for all of the wrong reasons.

I want to come back to the GST. I was going to bring a backdrop of probably 15,000 cards from bowlers, dance teachers, skating teachers, music teachers, small businesses, veterinarians, and everybody. You name the group. They are all hostile to the GST. If the government is going to plough through with it, and it gives every indication that that is what it is going to do, it is going to realize a cash cow with multi billions of dollars against the desires of any Canadian. It would appear that the government is against the will of the people, at least 80 per cent of them and probably it is growing on a daily basis.

Yet the government says there are no tax increases. We know full well that that is not true. The tax increases will be passed on to the provinces and the provinces in turn will pass them on to the municipalities and thus we see some of this negative reaction by municipalities, including my own. That is one reason that they are hostile toward government in general. Some of the actions may not be the message that wants to be delivered, but it is a message of desperation: Is anybody listening out there to a lonely voice in the wilderness up in northern Ontario?

I think all would agree with Mr. Douglas' philosophy and our party's policy that humanity comes first. We believe the measure of any community is the amount of social and economic security which it provides to even its humblest citizens. I do not know anybody in the country who would disagree that we do stand for that. The Prime Minister suggested that he also agrees. He said: "Then there is what I call the dimensions of tenderness. It is that vital responsibility of government to demonstrate a compassion for the needy, an assistance for the disadvantaged, the equalization of opportunity for all and an elevated sense of social responsibility that must continue to find favour with every thoughtful Canadian". We agree with the Prime Minister. Mr. Douglas agreed with the Prime Minister, but actions speak so much louder than words. The government's policy does not in fact exemplify what the Prime Minister said in 1983 and I suspect people would agree with that as well.

• (1620)

How did this budget come about? I will not cite exactly the words, but I will paraphrase the Prime Minister when he said that budgets must come as a result of a great deal of public consultation. It must be a consensus of the Canadian people before a budget is brought forward. The people must agree with the direction of the country. We could not agree more. We think it is a great idea.

Well, we know how the budget was struck last year—in the dead of the night. We know how it was struck this year. The Minister of Finance said he was too busy to meet with people this year. He was too busy. There was no consultation. He sent out 50 letters. I asked to whom he sent those letters and was told: "Well, we can't really tell you to whom we sent the letters." That is an

interesting point unto itself. I did not pursue it. Maybe it is not important. I do not know, but it certainly does not give any indication of consultation or consensus.

I want to talk about positives. Canadians look to leadership to display some innovation, some creativity, and some positives. I have been here for 16 months and all I ever hear are negatives from the government. It is the old "We have to cut VIA Rail to make it better" and "We have to cut your social programs to make them better". In the budget, I read the list and it is a litany of cuts. There are no positives. That is why the Canadian people say we despair. There is nothing positive for us anywhere.

I would like to touch on a few local issues that really hit home, a microcosm of the big picture, if you will. VIA Rail is selling off its excess stock—selling it off. We have a tourist attraction in my community that will have to spend $25 million to $35 million to buy new cars or to refurbish old cars. It is the single major, most significant tourist attraction in our community. The government could say that perhaps this community or that community, or maybe this enterprise, could use this excess rolling stock, and maybe it could sell it to them at a bargain price. What a lift it would be to the community. But no, the decision of Transport Canada thus far is to privatize the sale of it. Contract it out, give it to a consulting group or a marketing agency, and it will sell it back to you. The cry was that we have been subsidizing VIA Rail for half a billion dollars every year. Now the government is going to do us a big favour and sell excess rolling stock to us at market value. What an excellent opportunity that could be seized to make a lot of people happy—and probably save the municipal and provincial governments some money down the road.

I have a humorous example. That is the FBDB and its now infamous funding of 38 strip clubs across the country to the tune of $17 million. I can understand why the government is a little bit skittish about continuing that kind of process because Canadian taxpayers were kind of aghast at that. I am sure the government members were as surprised as we were and somewhat aghast that Canadian tax dollars went to that kind of entertainment.

Mr. Tobin: Some of them weren't.

Mr. Butland: Some of them weren't. Okay, some of them knew, right.

Anyway, it has reacted to that now and it is saying that it has got to be very, very, very cautious, not only with FBDB but also FEDNOR funds.

There was an application in my community for a renovation to a tourist motel/hotel, if you will. Last year, it had one piece of entertainment that might be considered off-colour by some people, but there was every indication that FBDB and FEDNOR would be giving funds to this group to complete its renovation. Because of the new policies and the new restrictions, it is conceivable that funding could get cut off. I can understand that, the fearfulness of spending money on those kinds of enterprises. But, can a person be persecuted because he had one show last year, and would give an undertaking that he would never ever again present that kind of entertainment in his establishment? That was not enough. He gave that undertaking.

The next thing was to get from the Member of Parliament, myself, a letter stating that I did not think this establishment would destroy the moral tone of my community. I went ahead and gave them my okay on that. One has to wonder if there is going to be porno-police. It is also going to measure the gallonage of beer out of that establishment. It is a classic. I do not know if this is to save money, to save face, or whatever.

Another example is the Sault Locks which is a landmark in my community. It is 100 years old. Books have been written about it by the Canadian government. The present government says: "We want to walk away from it. We want to give you $5 million. Privatize it. We do not want any more to do with it." That will tear the face off my community unless private investment comes in to assist the government. I hope that does not happen, because the Americans—they have told me this—will want us to participate in the financing of their super-lock to the tune of $250 million, just across the river. But our government says: "We will wait and see what happens." We are going to save money now, but we will have to spend millions in the future, because the Americans will insist that we do so.

To conclude, Mr. Douglas said the only freedom which the NDP would destroy is the freedom of the few to

exploit the many. The only people who need fear us are those who are seeking to live by the sweat of someone else's brow. Our agenda never changes, and it shall not, because it is right and just. The good will out in the end. We will be voting against this bill because of the government's abusive policies to the Canadian people.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, first, I would like to compliment my friend on his presentation to the House today.

I would particularly like to ask him to turn his attention to what has become an institution in Canada in cultural methods and also in communication, the CBC. I am speaking in particular of one of the areas in the west in British Columbia. I know that many of my constituents in Okanagan—Similkameen—Merritt listen daily to Canadian Broadcasting Corporation radio and also watch CBC television. There were the cut-backs of, I believe, $140 million in 1989, and the cut-backs of some $20 million in this particular budget. Many of the people in my constituency and many of the people I have spoken to in contacts across Canada are somewhat concerned in that what is being attacked here is not simply another radio station or another Crown corporation. What in fact is being attacked in the cutting of funds to CBC radio and television is our cultural communications system across Canada.

They listed all of the programs that they listen to. One of the things is the thread that goes across Canada in the phone-in programs on Sunday mornings. I know that my young daughter, who is only 11 years old, listens to a number of programs on CBC radio which she finds not only entertaining, but also educational. I have had letters from people in small communities such as Midway, Greenwood, Bridesville, Osoyoos and Christina Lake, asking us to point out to the government that these are their links to the rest of Canada, and part of what they consider their cultural heritage. I wonder whether those from northern Ontario feel the same way about CBC and these cuts. Would he have any comments on the fears of the people in my riding and in fact in all of British Columbia?

• (1630)

Mr. Butland: Mr. Speaker, I thank the hon. member for his question. This once again ties into the whole issue of the Canadian fabric in our society. Cuts in the CBC are just another attack on the Canadian fabric as we know it. Yes, the CBC is looked upon not only by Canadians but by people around the world as being special, as being an excellent broadcasting operation.

People are now looking more and more south rather than east-west, not only in communications but unfortunately in trade and sometimes in cultural and recreational pursuits. It is part of a much larger scheme.

If I might hit very close to home and refer to the House of Commons, the CBC will be forging an agreement with a private cable company for House of Commons coverage. I think just about everyone endorses the loosening of rules in this House, but in a minority report my party expressed some concerns that the CBC is forming a partnership with a private enterprise. That is another blow to the CBC.

Mr. Nelson A. Riis (Kamloops): I have a short question, Mr. Speaker. I listened with interest to my hon. friend's comments. I must say I found them to be most interesting and very educational. He went on at some length about a number of initiatives that the government has failed to take. I think of things like not funding the forest sector adequately, cutting back on regional development grants, cutting back on support for the small business sector, and not providing much endorsement and support for tourism.

I asked myself what good the government has done. We can think of all sorts of things it has not done that it should have done and we can all think of all kinds of things that it has done that it should not have done, such as the imposition of the goods and services tax.

I was racking my brain, as I was listening to my hon. friend, trying to think what this government is noted for accomplishing that people would perceive to be positive or useful.

Can my hon. friend think of anything that this government ought to be recognized for, other than a host of very negative initiatives which amount to the dismantling of the infrastructure of Canada?

Mr. Butland: Mr. Speaker, I thank the hon. member for his question. I too, even as he asked the question, was racking my brain to come up with something positive.

Ms. Campbell (Vancouver Centre): Given the size of your brain, I am not surprised you didn't find anything.

Mr. Butland: The winds of dissent are there. To answer the hon. member's question, I cannot think of anything. The only thing positive, perhaps, is the fact it has have achieved 17 per cent in the polls and I think Canadians think that is very positive. Let us hope that that positive wind across the country will continue.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I am pleased to participate in the debate on Bill C-65, the borrowing authority bill. As many of my colleagues before me have said, we are dealing with a request for authority for the Government of Canada to borrow some $25.5 billion.

Traditionally it is an opportunity for members to comment on how the government makes use of the tax dollars of the people of Canada and how it goes about collecting those dollars. It is an opportunity for all of us to comment on a wide variety of programs and policy.

I came today prepared and armed with a long list of specific grievances of my region and indeed the country in general with respect to the fiscal policy of this government. I decided, instead, to put aside that list and to talk in more global terms, global in the Canadian sense, about the policies of this government and where those policies are leading this country.

We have a new theology at work in Canada today, a different kind of approach to government and one which on the fiscal side, I humbly submit, contributes as much to the great frustration and division in the country today as do questions of constitution in particular.

In other words, there is a lot of anger and frustration in Canada today. There is a sense by many groups, regions and individuals within society that they have been abandoned by the national institution, by the national government. Out of that grows a sense of frustration and that frustration is personified by lashing out: sometimes lashing out at neighbours; sometimes picking on minority groups; sometimes, unable to get at the source of your frustration, reaching out and attacking those nearest you.

That in a nutshell personifies the mood of this country today. Why is that? I submit that that in large part is happening because the kind of contract we as Canadians have had with each other from sea to sea, across ten provinces, across two language groups and through the multiplicity of our multicultural institutions, which has always bound us together as a nation has been dissolving over the last period of time.

It used to be that if you lived in Newfoundland you knew that you could aspire to equality of opportunity. You never expected to be equal in every way with every other province, most notably the wealthier provinces. You did not expect the same quality of highways necessarily, or even the same quality of municipal services, or even as many or as bountiful green spaces and park lands, but you did expect equality of opportunity. You had a belief, if you lived in Newfoundland or lived in Aqaluit or in Chimo, Quebec, that at least you had equality of opportunity. While your personal or community circumstances could not be said to be equal to the most prosperous parts of the nation, at least your opportunity or your chance to succeed as an individual in your society was there. That meant that in fundamental areas, no matter where we live in Canada, no matter what our circumstance or language, the notion of citizenship, the notion of being a Canadian meant that we were equal in fundamental ways.

What are the ingredients of ensuring if not equality of circumstance at least equality of opportunity? Surely the first and foremost among those ingredients must be the right to a good education, access to quality institutions, the ability to train the mind to acquire the skills to compete in an increasingly competitive world. Is that not the first and foremost ingredient necessary to participate in the notion that there is equality of opportunity? Traditionally in this country it has been. I believe that traditionally Canadians believe they have had equality of access to good education.

• (1640)

What is another ingredient? It is very basic: access to health care, good health care, quality health care. No matter where you lived, no matter what your personal circumstance, when the need arose to have access to good quality health care, whether you lived in Quebec, British Columbia or Newfoundland, you had equal access. Traditionally that has been the case in this

country. It is another of the fundamental agreements that is part of the contract called Canada, one of the things that binds us together no matter where we live as being a fundamental component of the notion of Canadian citizenship.

There is another part of the contract that has kept Canada united, and that is the notion that even though we acknowledge that there are disparities within the nation between regions, and even within provinces between regions, between those who have and those who do not on the economic side, the Government of Canada would always intervene to try to reduce the gap between the have and have not parts of this country. That has been another primary tenet of the notion of citizenship in this country.

I submit that the fiscal policy of this government that is now asking to borrow $25.5 billion in Bill C–65 has dissolved the basic Canadian contract. Why? When you cut billions of dollars as this government has in its last budget—in fact in EPF alone $7.5 billion in health and education out of transfer payments to the provinces—you set up a system where the notion of equality of opportunity is destroyed. Even though the cut to Ontario over five years is $1.2 billion and to Newfoundland is only $164 million, the reality is that Ontario is more able to make up that shortfall, if that is the decision of the Government of Ontario, and maintain the quality of both health and education programs in Ontario than is Newfoundland able to make up a $164 million cut in the province of Newfoundland.

So what happens? Some provinces of Canada have the fiscal ability to maintain, if it is the determination and political will of that jurisdiction to do so, the quality and standards now available in health and education and other provinces, even if they have the will, have reached the limit of their borrowing capability. They cannot borrow any more and they cannot tax any more. A province like Newfoundland where the sales tax is already 12 per cent has only one option left, and that is to raise user fees for either health care or education or to eliminate programs.

That is what is happening. Those provinces that do not have the fiscal capability are being forced to eliminate programs. The fundamental notion that as a Canadian I have fundamentally equal access of opportunity is gone and in certain regions of this country, as a consequence, there is an acknowledgement of that cold brutal reality, a fundamental sense of frustration at the loss of what Canadian citizenship used to mean. There is a fundamental sense of rejection by the national government for those kinds of regions; not only Newfoundland but many other provinces as well.

That kind of feeling brews frustration, a frustrated nation unable to reach out the thousands of miles to strike a blow, even metaphorically. The government that has authored this policy begins to reach out and strike a blow at neighbours. It is that kind of policy that contributes to the lack of tolerance which exists in Canada today.

Since 1969 regional development has been institutionalized in this country, initially under the auspices of the Department of Regional Economic Expansion, the sole purpose of which was to combat regional disparities, reduce the gap between developed and less developed regions and, although not to guarantee equality, at least to provide the possibility of development, the basic infrastructure to allow industry to develop in regions where it currently is not the case.

That has been the basic philosophy. We can sit here and argue in this House about whether or not it has been successful. We can talk about whether or not dollars spent in the combat against regional disparity have always been well spent and whether we always got the best bang for our buck, but if we believe in the concept of this federation we cannot dispute that combating regional disparities is a fundamental obligation of a national government and has been a fundamental characteristic of modern day Canada.

That policy has been abandoned by this national government. We have seen a dramatic cut in regional development expenditure in Canada, an abandonment of the notion of investment in infrastructure. We essentially have a policy that says to those who want a different quality of life than is now available to them: "If you want a different quality of life, man the wagon trains and resettle".

It is a national resettlement policy. Whether it is the 65,000 people who have been pushed off the farms in Saskatchewan, run off the land in the last four years, or whether it is the thousands of fishermen who have been run off the water in Atlantic Canada over the last couple of years, we are seeing in this country, not by accident but by design, an abandonment of our primary producers and those who live in a rural lifestyle, those whose wealth is primary wealth.

There is not a member of this House who generates one cent of wealth for Canada. We operate on the fringes, on the froth of the economy. We are part of the great service sector. We are elected to be here representing our constituents, but we do not generate one cent of wealth. Those men or women who go out and put their hands into the land and yield from that land a crop that feeds this nation and the world are primary producers. That is real wealth being generated for Canada. The fisherman who goes out and harvests the sea, the humble fisherman, the gentleman who barely subsists on an income below the minimum wage, generates far more wealth for Canada than any member of this place because none of us generate a cent.

Yet the policy of this government that wants another $25.5 billion—an incredible figure—has been to abandon those primary producers. These people are frustrated. They are angry. They want to be here. They want to look across at the Prime Minister who is abandoning them, the Prime Minister who said: "You can trust me". They want to have their say, but they cannot because they cannot reach across the thousands of miles of the great land that is Canada and have their say.

So, in frustration, they reach out too often to those who are closest, their neighbours, and there is more intolerance in this country. It is not born out of an intrinsic intolerance in Canada, but out of frustration.

When we hear, as we do these days, all of the talk and discussion about Meech Lake, constitutions, potential amendments, resolutions and solutions, I ask myself whether it is not time we understood that a large part of the poison injected into the bloodstream of Canada did not find its way there yesterday or the day before or the week before, but found its way there as a consequence of the policy of a national government in fiscal terms which has melted away the glue that has bound this country together over the decades.

• (1650)

The fabric of Canada is not the flag beside you, Mr. Speaker. It is but a symbol, albeit an important one. It is not the Parliament Buildings. They are but a symbol, albeit another important one. It is not even the border between Canada and the United States, which is another important symbol. The fabric of Canada is to be found in the hearts, the minds and the souls of Canadians.

Unless you can go to Quebec and find in Quebec people who believe that every bit of Canada from Cape St. George in Newfoundland to Prince Rupert in British Columbia belongs to them, then you have no fabric called Canada. Unless you can go to Newfoundland and find there Newfoundlanders, Canadians who understand that the problems they confront daily in their lives are the same problems being confronted by the average family in Quebec, then you have no Canada.

Until we understand and until this government understands that the policies, the contract, the commitment we gave to each other as Canadians by way of equality of opportunity in fundamental areas, the commitment to combat regional disparity and indeed in simple terms, to share the wealth and opportunity of this country, are fundamental tenets of this nation not to be melted away or dissipated as a consequence of the bottom line necessity of meeting the budget projections of the Minister of Finance, I submit that all the other ongoing negotiations today about how to bring peace to this country will continue to miss the point.

As a member of this place who has been here for 10 years, I am increasingly convinced that this Prime Minister shall preside over without radical intervention the Balkanization of this great country, the dismemberment of this great country. Until there is some awareness on the other side that high stakes poker is no game to be played with the future of a nation, I cannot support Bill C-65. I cannot support this government's request to borrow another $25.5 billion. I cannot support continued administration by a political party which has not only cut deep into the Canadian psyche, which has not only begun to dismantle it, but has cut through the meat, the fat, and into the bone and has drained the marrow of the wellspring of goodwill that once was Canada.

I call upon my colleagues in all parts of this House and from every region of Canada to reject Bill C–65, not to grant the current Government of Canada another $25.5 billion in borrowing authority, and to be here to ensure that when the time comes this motion is rejected. Hopefully this government in Canada's interest, because it is a money bill, will put itself and this country out of our collective misery by quickly going to the polls because time is running out.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I congratulate the member for the usual passion and emotion with which he gives his speeches. I suspect that some of that may come from his staff member who hails from Sault Ste. Marie, who has good Italian blood, and was a student of mine some 25 years ago. I will not give her all the credit.

Nevertheless, what the member said is certainly what I would want to say about this country. There is much doom and gloom among Canadians and parliamentarians. I am sure that even some of those members across the way are somewhat desperate in their feelings about what is happening to all of the regions in Canada.

Is there any hope for us, I ask the member very seriously. What will transpire in the next year or two years or three years? Do we have hope for the country? Does he have hope for the country?

Mr. Tobin: Mr. Speaker, I have the greatest hope for this country. I have a profound belief in the gut desire of Canadians to build and unite this country, to keep it growing and prosperous. I am not naive about the fact that this country is in difficulty. The country is not in difficulty because on March 28 we do not have an agreement on the Constitution. The country is not in difficulty only because on March 28 we have a continuing process, a difficult and frustrating one, on the Constitution. We did not get to where we are today because we woke up yesterday with a problem called the Constitution.

I am saying to my friend and to all members of the House, and through the House to Canadians that I believe a considerable amount, a lion's share of the origins of the increasing intolerance we are experiencing in Canada today on matters that have to do at least on the surface level with the Constitution, can be found in the fiscal policy of the national government.

I do not separate fiscal policy from social policy or from regional development policy. If you take away all of the national institutions, if you take away from the country those things that have been part of the contract we have made with each other for 100 years, then you dissolve as well in the minds of Canadians no matter where they live, and in particular those who live farthest away from the centre, their attachment and commitment to the federation.

The fundamental glue that holds a country together is not a constitution. That is profoundly and unquestionably important. Fundamentally what holds a country together and develops a country is ultimately what is in the hearts, souls and minds of Canadians.

Increasingly as the days, weeks and months go by there is little and little more daily, weekly and monthly left of our national institutions with this government. Any and all of the destruction of the CBC, the elimination and destruction of regional development programs, the abandonment of health and education programs, and a transfer of the debt to some of the poorest provinces and jurisdictions in this country contribute to division in the country because they take away the national institutions to which we attach ourselves in the communities in which all Canadians. Intangible examples of the value and the wonder of being a Canadian are eliminated. You treat the nation as nothing more than so many bits on the Monopoly board. If that is the bottom line, if that is the way we ask Canadians to measure the value of their Canadian citizenship, then we have sold our soul and sold our heart for the bottom line.

That may make the Minister of Finance very happy. That may motivate him when he wakes up in the morning. That may get his juices flowing, but it does nothing for the ordinary Canadian and it does nothing for the people who today want nothing more than for this country to succeed.

This fiscal policy, this request for $25.5 billion more, is pathetic in the face of the problems that we have, and it would be pathetic for Parliament to grant these moneys to a government that has not understood the root cause of the difficulties we confront in Canada today.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, the hon. member mentioned the CBC, and I mentioned it in a prior question to my friend from Sault Ste. Marie. Would he like to comment on the

thread of what I and others have seen in the budgets of this particular government over the years?

• (1700)

It has attacked of the thread of national unity, whether it be through privatization of various Crown corporations, cutting funding and perhaps ultimately privatizing institutions like the CBC, whether it is the cut-backs on VIA Rail and the elimination of the Silver Bullet.

In this particular budget, the government proposes the ultimate sale of PetroCan, something which was brought in by the member's own government with some approval by my party, a corporation that is now becoming somewhat profitable and well run. Now that it has become profitable, and there is an opportunity of getting some money back into the coffers, it appears the government wants to get rid of it.

If the government negotiates as well as it did in the sale of de Havilland to Boeing, it is going to end up costing us money. Would the member like to comment on the destruction of the Canadian cultural and ethnic fabric that is set out not only in this budget but in previous budgets of this government?

Mr. Tobin: Mr. Speaker, my hon. colleague who has just spoken has given us a thorough list of those institutions. We can make the analogy that those institutions are arteries in the body that is Canada and they are being severed. The country is not exploding, it is imploding. If all the arteries are severed, the heart ceases to function. That is what this Prime Minister has never understood.

A fisherman, in a community on the great northern peninsula, said to me one time: "If that fellow Mulroney was a lake, you could walk across him and not even get your ankles wet. He has no depth". I thought that was a profound insight: no depth, no vision and no understanding that the kind of magic that is required of leadership is not to be found in the flow charts, not to be gleaned from the words of wisdom of the pollsters, pundits, the Dalton Camps, the PCOs and the PMOs. The kind of wisdom necessary to appeal to what is fundamentally good, tolerant and positive in Canadians is better to be found in the heart of that fisherman than to be found in the cold graphs offered in the polling data that the Prime Minister spends too many long, lonely hours with.

The Acting Speaker (Mr. Paproski): Questions and comments are terminated now.

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MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills: C-70, an act for granting Her Majesty certain sums of money for the Government of Canada, for the financial year ending March 31, 1990; and Bill C-71, an act for granting Her Majesty certain sums of money for the Government of Canada, for the financial year ending March 31, 1991.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1990-91

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-65, an act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, the bill before the House is the borrowing bill in which the government is requesting authority to borrow some $25.5 billion.

When considering this request, I think we have to ask if the government has the ability to manage, as it say it has. It has been pointed out by the hon. member from Kamloops and other members, that if this is management, this country is in for a rough ride. The type of management we have seen since the election of 1988, is management by time allocation and closure. The government with its arrogance and authority, has seen fit to manage by cutting off free debate in the House of Commons and to ignore totally the wishes of the Canadian people.

We witnessed again today the House leader of the government party advising us that he is going to close off debate, essentially before debate is started. After only

one hour and three minutes of debate so far, we already have notice from the government that it will not allow any more debate on this borrowing bill for $25.5 billion.

This is in addition to the government's ridiculous attitude toward debate. Last week we were debating the crop insurance bill, a bill that both the Liberals and the New Democratic Party decided should go through and be passed in the best interests of Canadian farmers.

Before asking for any input, the House leader of the government party simply said: "Bang. Closure. No more debate." We ended up voting on the closure motion on a bill that neither the Liberals nor the New Democrats had opposition to in principle, even though they believed that perhaps it should be expanded as suggested by some amendments that had been proposed.

We have now experienced closure 13 times in the last year and three months, and time allocation another 10 or 12 times. It is getting to the point where I wonder what it is this government is managing. It is managing to cut off the freedom of expression and the freedom of debate of the people of Canada.

That is not what we are here for. That is not what the Canadian people have voted 295 members of Parliament into the House of Commons for. They have elected us to review, read, study and to debate in their interests the bills before Parliament. That process has been cut off, constantly and totally by this government in its arrogant use of those jackboot tactics to slash the debate already on this major borrowing bill before anybody has had the opportunity of speaking on it.

I shake my head, along with the people of Canada. This is how the government is managing change. The change it is managing is the change in the democratic process of allowing reasonable debate on all legislation that comes before the House.

If there is an apology to be made to the people of Canada, it is the apology that we have to use what methods are available to us in opposition to combat the arrogance of a government that is willing to use these Draconian methods, these measures that were brought in to be used only as a last resort. We are now seeing these methods being used as the primary resort. Every bill, regardless of what it is, if it looks like it is going to be debated, is met with closure. No more debate. We can talk on it today and that is it. Nobody else can speak on it.

That is what we have seen in the committees going across Canada, whether it be the unemployment insurance or the finance committee. The government sets up a schedule that we must follow. If not, you are cut off. It does not matter whether you are a member of the House of Commons or whether you are a public citizen. While you may want to be heard, if you do not fit within what the government sees as the area it wants to hear or you do not fit within the time frame of the government's schedule, then you cannot be heard. Is that democracy?

When we see what is happening in eastern Europe, with the democratisation of the eastern European countries and the Eastern Bloc countries, and we look at what is happening here, I scratch my head in amazement and wonder: Are they progressing and are we regressing? What is happening to us?

• (1710)

I would like discuss now what I have seen happening since I have been in Parliament, specifically dealing with the borrowing authority and the budget.

Last Thursday I attended a forum on literacy. This is the International Year of Literacy. In the city of Penticton I saw a play which showed the difficulties in Canada of literacy. I did some reading to see what was available for Canadians.

Approximately $110 million has been provided over a five-year period for the promotion and study of literacy, although the demand is much greater and immediate to fund existing programs and to start up new ones to combat the actual problem. The need now is for core funding for literacy projects and for education of those who are illiterate.

Are you aware that there is somewhere between 4.5 million and 5 million people in Canada today who are functionally illiterate, Mr. Speaker? In my province alone, there are 360,000 people who are functionally illiterate. In looking at the studies that have been done across Canada, unfortunately it shows that as we go further to the east, the illiteracy rates rise.

Being functionally illiterate does not necessarily mean that those people cannot read the spoken word. It means that they cannot function because they cannot put enough words together in many cases to be able to understand the everyday forms that they have to fill out for income tax or for their child tax credits or, as the

GST comes through, for their rebates on the goods and services tax. These are the types of skills that they need.

We who can read take it for granted, as those of us who can see and those of us who can hear take those senses for granted. We do not see how serious this is. In fact, if you take our sight and our hearing away from us, it is not much different than taking away our ability to read. It is a mode of communication that is essential for many people.

The play that I saw really hit home. It is called *Reading the Signs*. It is a play by a Canadian playwright, Jim Betz and produced by World Literacy Canada and performed by the Young People's Theatres. I would strongly suggest that people get out and see this play if it comes to their area.

I implore the government members to go to see this play because it shows what I talk about when people ask where would I spend money and where would I save if I were in government. It is a matter of priority. It has been shown, time and again, that if we teach those who do not know how to read and write to be able to do so, they become more employable. They become higher income earners. I think the figures show us that those who are literate earn 44 per cent more than those who are unable to read and write. This is what we should be addressing when we are trying to make a better Canada.

I implore this government to see this play, *Reading the Signs*, because it is an excellent play showing the difficulties of those who cannot read and write and the problems that they go through in everyday life, the problems that those of us who can read and write, who are functionally literate, do not even recognize.

In many cases we do not even recognize when we see people making excuses about why they should not read a particular document or letter. But this does puts us on our guard, and makes us more aware of some of the things that are so important to many of us out there. I implore this government to look at that. The $110 million is a good start, but perhaps somewhat misdirected.

In looking at future budgets and in looking at this budget, I ask the government to consider putting more money toward training teachers, more money toward the programs and the core funding required to look after the problem of literacy in Canada.

Let me move on to one of the things in the budget that was particularly upsetting to me as seniors critic for my party, namely, the cuts concerning veterans. This has hit home in an area that I represent, Okanagan—Similkameen—Merritt, where we have a fairly high seniors population, almost triple the national average, many of whom are veterans.

The Royal Canadian Legion from Grand Forks wrote to me on March 7 and I would like to read this short letter into the record because I think it is relevant. It is from Branch 59 and it reads as follows:

> Branch 59 of the Royal Canadian Legion, Grand Forks, British Columbia would like to express our very deep concern about the cuts to veterans allowance in the government's budget of April, 1990.
>
> Surely the veterans who were identified in the Veterans Improvement Program are, as they get older, more in need than ever.
>
> Particularly shocking was the decrease in subsidization of the costs of veterans in intermediate and long-term care facilities. Virtually doubling the veterans portion of these charges from $240 to $400 per month is a cruel blow to those ageing and dying veterans who so willing jeopardized their well-being in the service of Canada. Many have not long to live, and to make savings on their hardships seems particularly insensitive.
>
> It will not be long before the numbers of all veterans will be seriously depleted and eventually disappear, but in the meantime, it is the intention of this branch and hopefully the entire Legion membership to rise and defend their comrades who are least able to defend themselves.
>
> It is a shame that our government's memories are so short.
>
> To balance a budget on the backs of the least fortunate of our society is a public disgrace.

It is signed by the president, Rae Hayward.

I could not have described better than Mr. Hayward in this letter the disdain and disgust that I feel in the cuts to the allowances and the programs that are there to protect and assist those who have fought in both wars and in the Korean War so that I can stand up freely and speak my mind in the House of Commons. I am very pleased to have been able to read this letter into the record.

Equally as shocking, at a time when we pay pay lip service to women's issues and the equality of women, is to have the government attack by cutting core funding to women's centres on top of a 15 per cent last year, of $2 million, I believe, to a cut of some $1.3 million this year. Again, it is a disgrace. It is not only an attack on women, it is attack on all Canadians. Those women's centres

offer so much. The women's centre in Penticton in my area will shut down as a result of this core funding cut. They will try to continue it on a volunteer basis. L. Burnham of that centre has been a hard working member of the Penticton and area community.

• (1720)

This group has done such things as spearheading a drive for family housing, investigating the need for day care. They have sponsored workshops on such important subjects as poverty awareness and family violence. They have provided a library on subjects of interests to women. They have been sending out regular newsletters to keep concerned people aware of the local and national issues and they have run a series of leadership development workshops for women.

They also participate actively in the women's shelter and the assistance with the women's shelter that is so key not only to Penticton but to all of the small communities around Penticton such as Osoyoos, Oliver, Okanagan Falls, Cawstin, Summerland. All of these areas are drawn in and looked after by that particular shelter in the city of Penticton.

I am not the only one who worries about these cuts to the women's centres. I received a petition which unfortunately is not in a form that would be presentable in the House but I think the message of the 87 people who signed this particular petition is relevant. They protest the federal budget cuts to women centres and transition houses throughout Canada. The services provided, especially those involving emergency shelter and safety, are essential to the welfare of women, their children and pivotal in the struggle to end family violence.

I speak of these cuts I return to the question of priorities. If we are to come out of the dark ages then we must take steps toward the equality of men and women. It is a small thing when you consider the little bit of money that is required in order to fund core funding for these women's centres or even to expand them.

When we consider that this government has seen fit to proceed with a program of advertising of over $14 million for the goods and service tax when it knows that over 80 per cent of the people of Canada do not want, that in itself is a comment on the priorities of this government. Do not give the people what they want but what you want and then proceed to sell that program to them with their money. What Canadians need is more things like women's centres and arms of our communities that will help those who are less fortunate.

Finally, I would like to comment on the environment. When I read the budget and listened to the minister's budget speech I wrote down in the margin "Lip service but where is the money"? That is exactly what has happened.

There appears to be no money for the environment. There are cuts to just about everything else. There are cuts, it appears, in the Forest Resource Development Area, an area that would assist in silviculture and reforestation of our forests at a time when, particularly in British Columbia, we recognize how important our forests are to us for the future.

The government has not set anything aside for that and it is talking about substantially less money being available. The FRDA agreements come up for renewal at the end of this month, a short few days away. We fear that if those programs are cut it will be costly not just in jobs but to the environment.

What is not in the budget with respect to the environment is the funding for conservation and alternative energy programs as promised in the last election campaign. Funding for research and development and environmental technologies as promised in the Throne Speech is not in this budget. There is, however, the cap on much needed overseas aid and development. There are no new funds for reforestation programs. There are no attempts to deal with global warming or disintegration of the ozone layer. There are no cost sharing programs for conservation, recycling and mass transit programs.

There are also all of the cuts in VIA Rail, an area that perhaps we should be looking at to ensure that those of us who are so ready to use our cars for transportation might turn to if we had a rail system that is more efficient and more effective and ran more often. But what happens is a constant attack on these systems.

I wind up as I started. The government says it will manage change. Well, Mr. Speaker, if these are the changes that we are managing to get then I think it is time that we managed to change this government.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I just want to congratulate my colleague on a fine speech and congratulate those who have preceded him this afternoon.

It seems strange that when there is a bill to borrow approximately $28.5 billion that we would hear absolutely not a peep, not a squeak, no justification coming from the other side of the House whatsoever.

Is this a sign or is this an extension of the malaise that has set in in this country, that the government would suggest to Canadians who are watching that it does not have to justify this borrowing? Are the members saying they know where they are going and they can assume that is right.

Canadians to whom I am talking are not assuming it is right, I can assure you of that. I just wonder if I could get some reaction from my colleague on the fact that there seems to be nothing, no justification whatsoever coming from the other side of the House to argue, at least present a case to the Canadian people to suggest that they know where they are going or what they are trying to do with this nation.

Mr. Whittaker: Mr. Speaker, certainly from what I have seen in the short time that I have been in this House and as a student of politics and Canadian history for most of my life, I think the hon. member is correct. We have a government that simply proceeds with what it wants as opposed to what the people of Canada want. It promised one thing in the election, as I have explained with the environment, but it has come through with something totally different, nothing.

In the last Parliament the Tories said nothing at all, and in fact were against the free trade agreement. They turned around and before the end of Parliament, we had a free trade agreement on the table. It is an arrogance that I have seen building, particularly over the last few years with this government that, the majority's will must be the will of the people, regardless of what the thoughts of the people are. I think the attitude of the government here is a small snapshot of everything we have seen over the last little while, the clawback on the old age security and family allowances. People did not want that but they are getting it anyway.

There is the goods and services tax; 80 per cent of the people in Canada are against it but our Prime Minister knows best and we are getting it regardless. We are getting it without the ability to debate or change it. The Tories are doing it, what they feel is best for Canada.

The unemployment insurance changes hurt not only my province but many of the other provinces across Canada. Again, labour did not want it, many management people did not want it, and certainly the municipalities are going to end up paying a lot of extra dollars as a result of being employers. It is shifting the balance of payments from one to the other, from one pocket to the other with the taxpayer ultimately being the loser. It is all done by essentially a thumbing of the nose at what in fact Canadians want. The government is simply saying, "There is what is on the plate, you children of Canada, eat it and be happy and do not give us any back talk".

• (1730)

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I will be very brief. I think the member has brought to the debate a slightly different perspective, one to which we probably do not give enough priority. It is the concept of people who are literate, but not functionally literate.

I am sure that he experiences this in his office, as I do in my office, and as do members of our staffs to a greater extent. It concerns the forms that average Canadians are expected to fill out. I refer to forms from Revenue Canada, Canada pension appeals or immigration and disability credit forms. Any kind of application that comes from this government must be a tremendous burden to people just trying to get through them. Those of us who are fortunate enough to have extensive education have a great difficulty ourselves.

I would be very interested in the hon. member's comments on the complexity of the forms, something which seem to go against the people who are already disadvantaged.

Mr. Whittaker: Mr. Speaker, something that we in Parliament have to work toward is the simplification of forms, not just forms for income tax but simplification of all forms. We should put those forms in plain words, English or French, so that the people can understand them. We do not need the wherefores and the heretofors

that we so often get in the legal jargon. All that does is confuse people.

What we should be striving for is what we are now seeing in the insurance and legal areas where there is encouragement to get rid of the old-fashioned language and getting down to basic, easy English and French so that we, the average person out there, can understand. We should not need a Toronto lawyer to interpret these things. We want to be able to interpret them ourselves without the necessity of some high-falutin accountant or lawyer having to be employed to do it for us.

In that vein, I would like to bring up two things that I have not touched on. It is an expansion of what we have heard here today. I refer to the cuts in citizenship and multiculturalism and the cuts in native funding.

In each of those areas, if we look at English as a second language, and in some of the areas of citizenship and multiculturalism, built in to them is part of an educational process that I mentioned when I was speaking of the illiteracy problems within Canada. Certainly, the cuts to the native programming have been a knife thrust to the very heart of a problem that we have here in Canada.

If we look at the Southam News study on illiteracy, we see that it looked at Canada as a whole, but did not go into the territories where we have a high native population. What the study showed was that often, because of the lack of training and opportunity, those in our native communities do not have the opportunities that others do to gain an education. Therefore they are not able to take advantage of some of the government programs because they do not understand the paperwork. They cannot fill out the paperwork because they do not even know it exists.

I am saying to the government, shake your head and refocus on what is important to keeping this country together. Let us get on with the job of managing Canada in a manner that keeps it intertwined and happy.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, this debate, which has been going on for some time now, brings to everyone's attention the importance of the financial crisis being faced by this government. Although it is fond of talking about market forces, about what the opposition did when it was in government and about what the provincial governments are doing, in reality it has put Canadians into a corner, something which we all feel very badly about and which we wish we were not in.

The bill in front of us, Bill C-65, authorizes the government to borrow $25.5 billion. I would like to take time to show ways in which that affects people in Winnipeg North Centre. I think the people in that constituency deserve an explanation because as taxpayers they are carrying the burden. That is because there has been a tremendous shift in our Canadian tax system away from the corporations and on to average families. In fact, we see that most of the people who are hurt by this deficit are those who can least afford it.

It is hard to interpret these policies for people who do not follow the government closely every day and who do not have to watch it in Question Period, as we do, trying to defend policies which are indefensible. It is hard to understand why it caused this financial panic in the country. I call it a financial panic on purpose.

Before I arrived in the House of Commons two years ago I spent my time teaching political science at the University of Winnipeg. The question that is very basic to political science is the question that is asked by one generation of scholars after another and that is: "Who gets what, where, when and how?" It is also a question that journalists ask.

A country gets itself in trouble when it loses its sense of legitimacy, when it loses the will to be taxed and when it loses the sense that what their government is doing is correct. It is then that people begin to revolt. When Canadians look around and ask themselves that basic question of who gets what, where, when and how, they begin to feel that this country is spending money contrary to the democratic principles on which the country was founded.

We chose to build this country and to tax ourselves out of a sense of purpose, whether that purpose be defined on a regional basis; helping people in the north build communities, helping people in the west establish farms, helping people in northern Ontario establish mining and lumber communities, helping maintain the fishing industry in the maritimes, helping Toronto to grow into a

world class city with financial strength or helping Vancouver develop as a port. There was a decision made that we would help each other. At times the west has been a great generator of income for this country; and at other times the west has had to turn to the central government and say: "Please give us a hand". Similarly, we could go across each of the regions in this country and point to times in which they needed somebody's help.

When we become as bankrupt as we are now—and the government can use any figure it wants, but we are probably dealing with a deficit of $35 billion and rising each day—people realize that we can no longer help each other. When we say that we can no longer help each other, then the very fibre of the country is at risk. When we have to deal with a bill such as the one in front of us today, we have to come to grips with the fact that government has put the fibre of the country at risk because we cannot finance our efforts to help each other out.

We have at other times listened to the government and to members of all parties talk with a great deal of seriousness about the constitutional crisis facing us. It is wrapped around deadlines, factions, what one provincial government wants to do versus another and what opposing leaders want to do. For all these reasons there is a great deal of tension in this country, but nobody sits back and thinks of the relationship between the economics of Canada and the constitutional crisis.

I use this opportunity to say that there is a direct link. People are less supportive of our country right now because they do not feel they have a stake in it. All they have is a bill. If you want to be like Ronald Reagan and argue in family homilies, then the reality is that people feel less committed if they cannot continue to work together and produce an income; if they cannot continue to look after their own homes and if they cannot look after those who are sick. People become depressed. This country has become clouded by a depression which was caused in part by a government strategy which has raised taxes among those who are least able to pay for it and who are struggling the most. That strategy does not turn and give out money to the poorest people in this country in the poorest regions who desperately need it. In fact it pulls the money out of the system and creates more and more debt.

• (1740)

The government made the strategic decision in 1984 that it had to lower taxes on the rich and increase the taxes on the poor. It is a variation of the American thesis that the rich do not work because they do not make enough money, and the poor do not work because they make too much money. The government decided what it would try to do was give the rich more money and at the same time take the money away from low-income Canadians.

That strategy has created incredible tensions in the country, whether we define rich by region or by families, or whether we define the poor by certain groups in remote parts of Canada or in our cities, whether we are talking about the homeless, children, or native families on reserves across northern Manitoba. The poor are not getting anything back. So when we look at a borrowing bill we say: "Who are they borrowing it for? What has happened to our tax base in this country?" The strategic decision to lessen the tax burden on some people in the hope that they would generate so much income and that money would be replaced has absolutely failed.

The second strategy that is now becoming apparent and is failing is the free trade agreement. I know people will say right away: "What has free trade to do with taxation? You are off the mark, Mr. Member." It has a lot to do with taxation.

The federal government has made the decision to reduce all sorts of revenue bases dealing with international trade. When people talk about reducing tariffs and subsidies, it means that the government is losing an income base. The GST argument is based upon not only the inefficiency of the manufacturers' sales tax, something which nobody would deny, but as free trade takes effect, the government loses a large revenue base. The logic of a North American marketplace, governed by market forces and not by government action, and not by government leadership, is that you lose your taxation base in that economy. This is what is happening to Canadians right now. Canadians are afraid.

I am thinking particularly of the city of Winnipeg. It is a great city and has played a great role in this country. But the reality is that right now Winnipeg is under a tremendous amount of pressure. People in that city feel it with their hearts and are looking for a way of redeveloping it. There are many groups that have been formed and so forth. They turn to the federal government and say: "You have been a partner with us. You have helped form Winnipeg. You helped, for example,

with the CN which goes through the city. You helped with Air Canada. You helped with a number of government institutions. You helped build up our hospitals. You helped transfer money to our province. We are there and now we are ready to do something".

The federal government turns on the government of Manitoba and the people of Manitoba with a vengeance and says: "I am sorry. Do you not see our deficit? Do you not see we have no money for farmers or for western economic diversification? Do you not see that we have to move CN out to Edmonton or back to Montreal? Do you not see that we have to close down VIA and pull Air Canada out and privatize it?" The list is endless. The end product of that is that a total depression sets upon leaders in a city and a province who are trying to rebuild and to grasp a role for it.

Winnipeg threatens to become a city of wholesaling and not a city of manufacturing. That is not because it does not have the ambition, but because the reality is that the government is doing absolutely nothing to help it out. I hold this federal government and these ministers responsible.

If you looked through the articles in the newspapers after the budget, a time when people raised some very serious complaints about this government and the budget, what did you see? We saw that the Minister of Energy said: "Manitoba gets so much money they should not be complaining". Can you imagine that, Mr. Speaker? This is a city which has been impoverished through federal government inaction for the last five years, and it has to apologize for asking for money. What kind of country do we have when we have to apologize for asking for money when there is a legitimate desire to grow, expand and be a healthy city?

The fact that the government has consistently tried to make the people of Manitoba feel guilty about asking for money was one of the most sudden turnabouts in government policy, particularly in a party which has spent years decrying federal intervention. When it was asked what it was going to do for the city of Winnipeg, it said: "Sorry, we have no ideas. We have no money. We hope you do well. We are going back to Ottawa. We have cabinet meetings. We have this and that to do. We are not here for you. Best of luck".

When people go back to that basic question of who gets what, where, when and how, they find out that in the case of Manitoba, Winnipeg and the constituency of Winnipeg North Centre, it is not them. They do not know how other people do it. They know it goes elsewhere. They know that the large sums are being lost in carrying out activities which are not beneficial.

The purpose of any member's response to a budget is not to decry on behalf of one region, but to use one region as an example of the tensions being created across this country. I am sure members who sit on this side, whether they are from Kingston or Ottawa, share in my anguish and frustration that the government chooses to hurt so many parties through this budget.

I would like to spend some time talking about the fact that this is one of the few times in Canadian history that Canadians are literally refusing to pay taxes. Those of us in the west who read the accounts of public meetings being held in Winnipeg, in Estevan, Regina, Saskatoon, Calgary, Edmonton know that on the prairies people are saying: "We will not pay the tax. We do not want the GST."

People realize that we have a huge deficit. After the war we had a huge deficit. People did not refuse to pay taxes. We introduced income tax in the first world war to finance the war. Yet here we have a crisis and people are walking on us. As politicians we have to ask these questions. Why are people walking on us? Why are people not willing to finance government? It is because of the irresponsible action of the people sitting across from me that people refuse to pay their taxes now?

The question for the Minister of Justice and the Deputy Prime Minister who are from the west, and the Prime Minister who never comes to the west is this. "How far are you going to push Canadians?" Is there, among you, a Maggie Thatcher who thinks that people can be policed into paying taxes? Are we going to have the same sight in Canada that we do right now in Great Britain of people in fist fights and people being bullied into paying an unfair tax?

Canadian leaders, particularly those across the aisle from me, have to learn that they cannot push people into a situation like that. Canadians are trying, in their usual gentle fashion, to say they do not want to pay this tax. It is not because we are irresponsible. We simply want you

to get your house in order. Until the government gets its house in order, people are going to continue to reject and to fight that tax. I think that they should be supported because the tax is inherently unfair. The borrowing of money to do things which are contrary to the interests of average Canadians is unfair. Generally speaking, when everyone sees an unfairness, then I think you have to turn around and say: "Let's stop and let's listen."

In England, Maggie Thatcher made the decision that she did not have to listen, that she was above listening, that she was above democracy. Right now she is paying the price for that. She is having to deal with people in the streets being hurt by their fellow citizens. What kind of country do you have when people turn on each other rather than pay taxes? You have the beginning of a national crisis.

The last thing that we need in Canada, given the national crisis we are already in, is a tax revolt. It is incumbent upon each and every minister of the government, to review departmental budgets and find ways of reducing expenditures, cutting out waste and, more important, to speak to the Minister of Finance and tell him: "Get those interest rates down. Speak to the Bank of Canada. Tell it how many billions of dollars it is costing the taxpayer simply because of some crazed, Thatcherite-like monetary attack on the economy."

As people scream and beg for mercy across this country, it does not matter whether you are talking about farmers, small business people, people in medium-sized firms, international business people are laughing at us. They go back to their host countries and borrow money for next to nothing. Our Canadian businesses cannot get access to capital because we are drawing in money through an artificially high rate to pay off our debt.

I cannot think of a situation any more more incompetent than the federal government welcoming offshore capital to finance our debt. For generations we financed ourselves, although we might have begrudged it. We were able to do that through the Canadian Savings Bond program and other short-term treasury notes processes.

A few years ago the federal government very quietly gave up financing the debt within the country. Now we are borrowing offshore, which contributes to the depletion of our national savings. Canadians are saying two things as they hear this debate taking place. They are saying: "Keep up the fight on taxes. Keep up the fight against borrowing. Tell the government in no uncertain terms that we do not want to continue in this fashion any longer."

• (1750)

A Winnipeg journalist writing in the *Winnipeg Free Press* spent some time elaborating on one of the missing links in the Canadian taxation system. Many people talk about tax reform, which is one of the more over-used expressions in political debate lately. This government took on "tax reform".

What does it mean to have tax reform when you are a Tory? It means you decrease the amount of money you tax in the corporate sector and you increase the amount of money you are taking from average Canadians.

For example, since 1985, the year after the Tories took power, personal income taxes have risen 49 per cent, and sales taxes have gone up 51 per cent. Meanwhile, corporate taxes have actually dropped 10 per cent. According to Frances Russell, the columnist at the *Winnipeg Free Press*, had the Mulroney government maintained the same ratio of corporate taxes to corporate profit existing in 1984, it would have taken in an additional $6 billion. She is basing her writing on a Dalhousie University economist, Allistair Sinclair, who noted that this extra tax revenue would, in turn, have reduced interest charges by another $2 billion, leaving a deficit of $22 billion rather than the current $30 billion.

Canada's poorest taxpayers saw their bracket climb from 9 per cent to 17 per cent. Meanwhile, Canada's wealthiest citizens watched their bracket drop from 34 per cent to 29 per cent. That 29 per cent begins at the $55,000 level, meaning that the tax system treats multi-millionaires and middle-class income earners the same.

When people read this sort of information about the Canadian tax system, they begin to have a sense of disbelief within themselves. How can you have a system when, at the time this government took over, it said that the biggest problem facing it was the fact that the Liberals had bankrupted the country? What was the government going to do? It was going to tell all its

friends in the high-income brackets not to worry because their taxes were going to be reduced; but, by the way, the rest of you Canadians watch out because we are going to take it from you. That turns out to be one of the meanest and most miserable governmental strategies we have ever seen in this country, and perhaps even in the western world in the last five years.

Nobody has really sat down and thought about how many tax increases have been introduced since this government took over.

In round one, in 1985, there was an extra two cents per litre for gasoline, and an additional 25 cents per package of 25 cigarettes. There was a 2 per cent increase in the excise tax on wine, beer and other alcoholic beverages. The federal sales tax rose one percentage point and was extended to candy, pet food, soft drinks, shampoos, soaps, some energy-saving devices and insulation materials. A surtax of up to 10 per cent was imposed on middle and upper-income earners for the next 18 months. That was only round one.

In round two, in 1986, a surtax boosted income tax by 1.5 per cent in 1986, and 3 per cent more starting in 1987. The government likes to introduce taxes, give you 12 months to forget about it, and then hit you. The federal sales tax increased by another percentage point. The excise tax rose by 6 per cent on tobacco and 4 per cent on alcohol. An estimated four million low-income families received refundable tax credits of up to $50 per adult and $25 per child to help offset the impact of the higher sales taxes.

In round three, in 1987, excise taxes on gasoline and diesel fuel increased by one cent a litre. Taxes on cigarettes and other tobacco products went up 4 per cent, resulting in a three-cent increase in a package of 25. A federal sales tax of 12 per cent was added to snack foods such as popcorn, potato chips, and granola bars, popsicles and some types of ice-cream. Even the granola crowd was hit. Airline passengers faced a new $4 tax on domestic flights and on tickets purchased abroad to help pay for measures such as increased security.

The most interesting is round four. In round four there is only one tax increase. That was an extra one-cent a litre tax on gasoline and aviation fuel, with a corresponding 1 per cent rebate for farmers and fishermen.

What was the year for round four? The year was 1988. What else took place in 1988? Was that not the year of a federal election? What a coincidence.

In round five we are now back up to speed. There is the proposed goods and services tax which is now 7 per cent, but who knows what it will be when these guys get finished with it?

Second, there are personal income tax increases. The federal surtax on all taxpayers went to 5 per cent from 3 per cent. An additional 3 per cent surtax was slapped on people with incomes above $70,000. There were corporate tax increases of 7.1 per cent. There was the so-called clawback of baby bonus and old age security benefits from those with net annual income of more than $50,000. The federal sales tax rose to 13.5 per cent from 12 per cent. The excise tax went up 2 cents a litre on unleaded gasoline—what people were touting as being a great environmental benefit. There is also a 3-cent increase on leaded gasoline. Excise tax on tobacco rose, including a $4 a carton increase. Sales tax rose to 19 per cent from 18 per cent on alcohol, to 9 per cent from 8 per cent on construction materials and to 13.5 per cent from 12 per cent on telecommunications and programming services.

Can you imagine that as a record? When I look at 1990 and 1991 I fear for Canadians and what other burdens they are going to be carrying. With some of these taxes we lose sight of just how much money the government has gained as a result of these tax increases.

Let us talk about some of them. When the government eliminated the registered home ownership savings plan in 1985 it received another $105 million. Did it have any idea how much difficulty it brought to families, particularly families in the Toronto, Calgary and Vancouver markets by eliminating that opportunity that these young families had to save for their first home? It probably have no idea. On the changes to marital exemptions it pick up another $20 million. The elimination of low income federal tax reductions brought in $650 million. The temporary 5 per cent and 10 per cent surtax in 1985 accounted for another $500 million. The de-indexation of tax brackets and family allowances and tax credits in 1986 accounted for another $635 million. The permanent general 3 per cent surtax in 1986 brought in another $1.2 billion. The family allowance and old age security clawback in 1989 accounted for another $500 million. The

general surtax increases from 3 per cent, pro-rated and beginning in 1990 brought in $1.1 billion. The high income surtax was pro-rated for 1989 and increased a full 3 per cent in January for $165 million. The list goes on and on. It is endless as to the amount of money this government has collected from Canadians.

What is the end product for us sitting here? It wants us to approve another borrowing bill for $25.5 billion. The questions that are being asked throughout this country and in Winnipeg North Centre are these. When is this going to end? When is some sanity going to be brought to the government? When is it going to be stopped from taxing and from borrowing? When is it going to start taking care of us again?

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to thank my colleague very much for his very lengthy and detailed description of the actions of this government in the financial field. I wonder if he might talk a little more about the impact of the spending in taxing patterns and as a result the borrowing of this government and its effect on the low-income Canadians.

Mr. Walker: Mr. Speaker, when one speaks of the poor in this country one does not know where to begin nowadays. You do not know whether you should just talk about the increased difficulty of students who had an extra 3 per cent surcharge on their loans for administration. You ask yourself why would you begin to tax the poorest people for giving them the opportunity. Can you imagine a welfare office charging people for the right to receive money? This is what this government is doing. It is saying: "If you are so poor you have to borrow money to go to school. In order to get the money you have to pay us 3 per cent". If you saw that taking place in the bank among the poorest people in the country there would be a revolt. This government hiding behind its Prime Minister and all its sanctimony says: "That is fine. That is what it costs to administer it. That is all there is to it".

Where do we begin to talk about native peoples in a short answer and their poverty? With this government's new strategy, as announced through the Secretary of State, who does not seem to understand what he has done, they cannot even communicate with each other. They cannot even build up within themselves the communication infrastructure so that Canadians understand the desperate situation they are in and that they can share from one part of the country to the other what they are doing. They do not get on a plane every day. They are not like the business traveller. These are people who are trying to understand each other's situation, develop some commonality of spirit among the 300,000 to 500,000 aboriginal peoples in this country. Yet we turn around in a moment of need, right in the middle of judicial inquiries saying how unfairly they have been treated and we say to them, by the way we are taking away your money to communicate. Best of luck to you. It is that sort of attitude which brings a total amount of disrepute to the government.

• (1800)

It is not only the opposition party that feels this. The Canadian Council on Social Development responded to the budget with the following statement: "If we have had eight consecutive years of economic growth, why is this the sixth consecutive year we have had cuts in social programs?"

I think that is the critical question. Why, after all this growth? We know the Prime Minister loves to talk about his jobs, jobs, jobs. But does he talk about the heartache he has created by cut-backs, cut-backs, cut-backs? I do not hear anything. Does anybody else hear anything? The answer is no.

For these reasons, and the question about what has happened to the poor in this country gets to the heart of our opposition to this borrowing bill.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, any debate on borrowing authority is an opportunity to talk about a great many things and I hope that I will have an opportunity to touch on a number of policy areas in the course of my remarks.

Today, in Question Period when the hon. member for Nickel Belt got up I felt that we had a very convenient summary, if you like, of the political landscape in Canada. As you know the hon. member for Nickel Belt has been on a weekly basis every Wednesday awarding the corporate welfare bum of the week award to a corporation selected from among three that are nomi-

nated every Wednesday and these corporations invariably have similar characteristics. They are large, they pay no taxes but also as it turns out in many cases, although they are not able to pay taxes by the government's definition, they are too poor to pay taxes, even though many of them make millions of dollars in profits, they are able to make donations to the Conservative and Liberal parties of Canada. This surely must be a sign to all of those who want to hear, those who have ears and can hear, of what is really at the root of our Canadian political system. The corporate sector is looked after regardless of who is in government, whether it be the Liberal party as it was for so many years, or the Conservative party.

That is why we found in recent weeks that the opposition of the Liberal party to the goods and services tax has been rather pro forma, that they have sought to dissociate themselves from the authenticity and the tenacity of the NDP opposition to the goods and services tax because these are people who know that the goods and services tax is part of the corporate agenda and who know that if the Tories did not implement it that should they be elected next time around that it is the sort of thing that they also would have to do in obedience to the same masters. So we find that there is this funny sort of reticence about digging themselves too deep with respect to the goods and services tax, hoping that they can get away with being seen to be strongly in opposition to it but also hoping that the government very much succeeds in getting it through.

• (1805)

Of course the story of the Conservative Party in government from 1984 to 1992 or 1993, whenever it comes to a well deserved end, will be that it will have done the dirty work of the Liberal Party of Canada. It will have done what the right wing of the Liberal Party of Canada would have wanted to do but may have found it more difficult than the Tories have done. To be fair to the Liberals, what they would do shamefacedly and evasively, Conservative always do with enthusiasm. That makes them in some respects more worthy opponents, but it also makes them more destructive because they do not know restraint in their policies.

The fact of the matter is that the middle class, the low and middle income earners in Canada are under attack from every which way one can think of as a result of the tax and social policies of the government. People are starting to catch on that they under attack. People are starting to catch on that it is getting harder and harder to make ends meet. Everywhere they turn they are met by an increase in something, generally a tax or a price, or a decrease in something, generally a benefit or service of some kind. People are only going to put up with this for so long. It is unfortunate that in the nature of the Canadian political system they may well have to choose once again between tweedledum and tweedledee, between trying to eat their soup with a knife or a fork, leaving the spoon untried.

One of the other things I would like to talk about is the whole question of the transportation policy in the country. It is something that I do not get to talk about as much as I used to being the external affairs critic for my party. Transportation policy in the country is very important and very important to people in my riding. I can think of a number of different things that are of concern, but perhaps I will start with the one which has had the highest profile since the last election. That of course is the cuts to VIA Rail. It seems to me that the cuts to VIA Rail sum up and are a rather depressing symbol of everything that is wrong with the policy of the government.

There is a train which since the 1920s, and perhaps even before that, has served many people in my riding. They are the cottagers who have cottages along the CNR mainline in places like Ophir, Winnitoba, Rice Lake, Malachi and Ottermere. For years people have been going down to their cottages on the train. There was a special train called the "Camper Special" which went down on Friday night and came back on Sunday night. In the early 1980s, as a result of negotiations between VIA and the campers, this service was blended into the Winnipeg to Capreol service. The train was scheduled in such a way that it could meet the needs of the cottagers.

When the former transport minister, the hon. member for Roberval, ordered VIA to come up with a plan to implement cuts, he ordered them to preserve service on nine remote routes. One of those routes was the Winnipeg to Capreol route. Eight out of the nine routes were indeed preserved, but the ninth, the Winnipeg to Capreol route, was subsumed or absorbed into the transcontinental service which was to run from Vancouver to Winnipeg and from Winnipeg east over the CN mainline,

which is where the Winnipeg to Capreol service used to be.

That train now leaves on Saturday night at 8:15 and comes back on Monday morning at 7. That is bad enough, but the fact is that VIA has indicated it has no intention of adding any equipment to that train to service the needs of the cottagers. For instance, take the long weekend in May. On any long weekend in May for the last 60 years that train has probably taken anywhere between 500 and 700 people down to the lake. Do you know how many coach seats there are on that train for the long weekend in May, Mr. Speaker? Fifty-six seats. Maybe that is all they will need because who is going to want to go down on Saturday night of the long weekend and come back on Monday morning of the long weekend?

• (1810)

That is not preserving service to that remote area. Many of these areas have no roads. How are they supposed to get to their cottage? That is the situation that people find themselves in because of the policy of this government. What are we going to have to do eventually, unless the government comes to its senses? All these hundreds of people who formerly took a train to their cottage in two hours will now travel on the Trans-Canada Highway between Winnipeg and Kenora.

Then we are going to have to cut new roads through the bush, in some cases through wilderness areas. We are going to put more hydrocarbons into the air and clog up the Trans-Canada Highway which is already clogged with trucks, thanks to the deregulation policies of this government which has taken freight off the railway tracks and put it on the highways.

Next we are going to cut roads through bush that up until now has been undisturbed. On the roads that do exist, some of them into adjoining lakes, people will need to have pick-up trucks or four by fours in order to have half a chance of ever getting out again, once they get in. Other people will have to go seven and a half miles across water to get to their cottage.

All this is in the name of a phoney way of keeping the books, because all this is bookkeeping. All this is policy set on keeping one set of books, the VIA set of books with respect to that particular service and not figuring into the larger bookkeeping the cost of more hydrocarbons going into the atmosphere, the safety matter of having more people on the highways, and the environmental factor of having to cut roads through areas that up until now have been left alone, not to mention the enormous inconvenience to families and communities which had a right to expect that this service which has been provided since the very beginning, if you like, would continue pursuant to the orders of the Minister of Transport himself who said that service to remote communities should be preserved.

I have spoken to the former Minister of Transport and the current Minister of Transport. I have not given up that we may yet find some solution to this problem. I think that part of the reason why, so far, some of the people are not as upset as they will be, come the long weekend in May, is because they cannot believe that anybody would do this. They think: "You've got to be kidding that I won't be able to get to my cottage". They cannot believe that they will not be able to get to their cottages that, in some cases, has been there for three or four generations.

Mr. Thacker: The taxpayers should pay for people to get to their cottages?

Mr. Blaikie: The taxpayers pay through the nose for other people to get to their cottages on highways. The taxpayers are paying through the nose to fund the deregulation policy of this government for trucking companies. We know that part of the transportation policy of this government is to freeze out the railways. It is only the railways that have to pay for their own track bed.

Mr. Thacker: The NDP subsidize people to take holidays.

Mr. Kristiansen: You destroyed the cost of their land, you pay for it.

Mr. Blaikie: I hear the hon. member for Lethbridge being his usual ignorant self saying that our policy is to subsidize people for taking holidays. I hope the people from Winnipeg are listening, and I hope the people who have used the railways over the years are listening because that is part of the problem. The hon. member does not mind subsidizing all kinds of other people to take holidays in the Caribbean so they can fix up their tax holidays that they are arranging while they are down there. He does not mind that. That is just good capitalism. But for a retired railroader to be able to make it down to his cabin, that is a subsidy. That is something we have to do away with. That is part of the problem.

• (1815)

This government is committed to subsidies, subsidies of the rich and the rest of the country has to pay for the kinds of subsidies they have been arranging, like the $500,000 capital gains tax exemption. If that is not a subsidy, I do not know what the hell is.

I am running out of time. I had hoped to talk about health care. I had hoped to talk about UIC. I even hoped to talk about foreign policy. But I have this feeling that I will not because I got talking about transportation.

While I am at it, Mr. Speaker, I would not mind passing on to you and hopefully to the Ministry of Transport and the National Transportation Agency what I have been picking up from people in my riding who work on the railway, and that is as a result of the policy of deregulation we see a decrease in maintenance. I invite you, Mr. Speaker, sometime when you are in your riding, now that the weather is improving, to sit by the level crossing with your window down and listen to the flat wheels going by. The railway has a policy of not "bad ordering" wheels the way they used to. One of the reasons they do not is because they do not have as many carmen inspecting the wheels as they used to. These trains are going bang, bang, bang, bang all the way down.

People who know anything about railways know that this is happening because all you have to do is listen if you have a trained ear. That is what is happening. I have people who work on the railway, and others who are writing to me about this. They know that maintenance is being neglected as a result of deregulation.

They know that at Symington Yard at the Hump, where they hump cars and send them down different tracks and marshall different trains that they have taken out what are called the manual car retards, the way that guys used to be able to judge cars: their weight, what kind of car they were, the right speed, et cetera, and respond accordingly. They have taken those out. Now they do everything by computer. If you stand by the hump you can hear these cars, some of them with hazardous commodities in them, going bang, bang, bang. There are people I know in the railway who live near there who are moving out. They know it is only a matter of time before something happens, thanks to the great computer that is supposed to look after everything, as in so many other instances in society where we are removing people and replacing them with these little terminals that are supposed to do everything. Black boxes on the ends of trains. Every time I see a train go by and there is no caboose, I realize just how little we have succeeded in trying to resist the agenda of this government.

It goes on and on. In Ontario, the government is talking about double and triple trailers on trucks. Pretty soon you will not want to go on the highway unless you are in a tank for fear of colliding with one of these things. The rail beds will be increasingly empty. The next step, once the Tories get their way, once they get the successor to the Crow payment paid not to the railways but to the producers, we will be trucking grain all over the place. There will hardly be anything to put on the railway. The highways will be even more clogged, in this case with trucks hauling grain to bigger and bigger terminals owned by Cargill and other multinational agri-business people who are trying to arrange the world economy to their own benefit and to hell with communities, to hell with workers and to hell with everything that the Conservatives used to say they were for: small town Canada, rural values, all that sort of thing where people are not subject to urban rot. These are the people who are destroying rural Canada, their post offices, branch-lines, elevators, you name it, all in the name of global competitiveness. It is disgraceful.

The Acting Speaker (Mr. Paproski): The hon. member will have three minutes left in his debate plus ten minutes questions and comments, if he wishes to carry on tomorrow.

It being 6.20 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Thursday, March 29, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government, and pursuant to the provisions of Standing Order 110(1), these are deemed to be referred to the appropriate standing committees, a list of which is attached.

* * *

HUMAN RIGHTS COMMISSION

TABLING OF ANNUAL REPORT

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, the 1989 annual report of the Canadian Human Rights Commission.

Mr. Speaker: Statements by Ministers.

* * *

POINT OF ORDER

STATEMENT BY MINISTER OF THE ENVIRONMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I understand that today the Minister of the Environment is making a very important statement on behalf of the government. I wonder if the government House leader could explain why the Minister of the Environment is not in the House of Commons, in the nation's capital, making that ministerial statement, as opposed to elsewhere.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I am sorry I do not have the data right here with me, but I think the hon. member will find that this government has used the House of Commons and the Statements by Ministers provisions, on orders of magnitude, more frequently than previous governments.

Indeed, I share with the hon. member the desire that this House be used more for those purposes and I encourage colleagues to do so. In fact, we do that more so by government. I would say that that, plus other changes in respect of business, in the conduct of Question Period and so on, would go a long way toward restoring the reputation of this House as the true highest court in the land.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to inform the government that we believe it is entirely unacceptable that a document as important as this is being released this morning, at eleven o'clock, at the Bonaventure Hotel in Montreal. The House is in session. This is an important document about environmental issues. It is a long-awaited policy that had been promised by the government. I fail to see why the government treats this House with so little consideration—

Mr. Boudria: With disdain.

Mr. Gauthier: —and even with disdain, says my colleague from Glengarry—Prescott—Russell, by refusing to come here, before the members of this House, to share with us the government's environmental objectives.

Mr. Speaker, I am also amazed that the briefing notes and the minister's comments were given to others before being made available to Official Opposition critics. I think that is totally unacceptable, Mr. Speaker. The government is not playing fair, and we will not play fair with the government if it keeps playing these silly games. Ministers should realize that Official Opposition critics have the same right as friends of the Conservative Party to be advised of the government's major decisions on matters of national policy, especially concerning the

environment. We are absolutely shocked at the arrogance shown by this government in the way it treats the Official Opposition. I think it is high time they realized that if they want consultation, if they want a House of Commons that runs smoothly, they will have to share a little with us and do so more often, and the fact that they failed to do so today in the case of a document as important as this one, on the environment, a policy that has been at least 18 months in the making and which was announced by the previous minister and the present minister—Mr. Speaker, I think that is intolerable!

• (1110)

[*English*]

Mr. Riis: Mr. Speaker, first, I want to take the opportunity to acknowledge what the government House leader has indicated, that in the last number of months, indeed year, we have had an opportunity to have statements on important issues presented first in the House of Commons by ministers more often than we have seen in the past.

I want to say that we have appreciated that, and we have also appreciated the courtesy that the ministers have offered the opposition spokespersons in the area of interest, in giving advance copies of the statements so there could be an informed reaction by both opposition parties. I want to say that we have appreciated that process, and that is why, I must admit, I was rather astonished this morning, knowing that this was going to be the day when perhaps the most important ministerial statement of this government is to be made.

Having not seen a written copy of this statement or, of course, not heard the statement yet, I am assuming that this is going to be the government's opportunity to actually address the critical environmental issues facing the country.

I must admit, as my hon. colleague has indicated, that we expected that to be done in the House of Commons. Again, I am simply asking, in a very serious way to my hon. friend, the government House leader, why the minister is not here in the House of Commons making such an important statement on the environment. I understand it is going to be done in Montreal. There may be a very good reason. I am simply asking what that reason was.

Mr. Andre: Mr. Speaker, I am sure the hon. House leader of the New Democratic Party understands, in a general sense, what the reason is.

I agree with him, and I wish this place was in fact much more the focus of the national agenda than it has been. We have done a lot in the last few years to make it more so. I am sure the hon. member will understand also that because of what may be inevitable partisanship, the circus and the performances for television and so on, there is a significant disincentive to somebody who wants to get an important message out to the country.

Mr. Boudria: So, if we would be kinder to the government maybe it would make more statements.

Mr. Andre: There is the hon. member for Glengarry—Prescott—Russell again, that great contributor to decorum in this place, the founding member of the rat pack, lecturing about how this House of Commons should be orchestrated.

The reality is that it is the rat packs of the world that detract from this place, but I welcome—I say this genuinely—that my colleague, the member for Ottawa—Vanier, feels strongly about this place and would like to see it restored to an institution where people deal with each other with respect and where the national agenda is set. In fact, if we can engage in discussions between House leaders in this regard, seek amendments to procedures, rules and so on to achieve that, I would be more than willing to participate in that activity.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I do not intend to unduly delay the procedures of the House. That is not what the objective is here this morning.

Obviously, the House is concerned, members are concerned that an important issue like this has not been brought to the attention of the House. My colleagues have raised that.

However, there is a further point that I want to make to the Speaker, quite apart from the suggestions of the minister only moments ago that perhaps if members did not criticize the government so ardently, it would be

more tempted to provide information to the House. I find that unacceptable.

Beyond that, there is the further point. Not only is the statement not made in the House, it has been made a far enough distance from the House that if one wished to go there and see the press conference, members would not be able to return to Ottawa in time for Question Period.

For instance, if a member was in Montreal listening to this press conference now, it would be most unlikely that after the conclusion of the press conference, the member in question could actually come back to Ottawa in time for Question Period in order to question the government.

There are three issues: first, that it has not been tabled in the House; second, that the government has now indicated to us that the determination of the opposition toward questioning the government is a contributing factor; and finally that the government has made this decision far enough away from the Hill in order to prevent members from being here to ask questions today on the issue, either deliberately or otherwise. I am not suggesting that it is necessarily deliberately, but nevertheless the distance factor is there, and it does prevent the House from being able to be apprised of this issue, and for the issue to be questioned by hon. members today.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I just want to make one or two points in response to some of the information that has been provided to the House.

First, it is my understanding that copies of the document are to be delivered to members of Parliament offices this morning at a time coinciding with its release in Montreal.

Second, I do know that at least one member of the Official Opposition who has had a long and distinguished association with environmental issues did receive a copy of the document from the minister I think during the course of Question Period yesterday. At least that is my understanding. Whether more were distributed in advance or not I do not know, but I hand delivered to the minister a copy of the document which was destined to go to the hon. member for Davenport. Perhaps the Official Opposition House leader is not aware of that but I believe that was done.

Mr. Gauthier: Mr. Speaker, what happened is that at three o'clock I asked our critic, the member for Ottawa West, if she had been apprised of that and she said no. I told her that she had better call the minister's office. What happened after that I do not know. If a copy was given to a member of this caucus I would like to know who, as it was not given to the member who is speaking for us at this time on environmental matters.

Mr. Speaker: This is an exchange which is of course interesting to the House. However, I think the matter has to be settled in consultation with both sides of the House and it is not a matter that I can rule on.

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INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF DELEGATE TO CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 34 I have the honour to present to the House, in both official languages, the thirteenth report from the Canadian NATO Parliamentary Association.

PRESENTATION OF REPORT OF DELEGATE TO CANADA–U.S. INTERPARLIAMENTARY GROUP

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House in both official languages the report of the official parliamentary delegation of the Canadian section of the Canada–U.S. Interparliamentary group which attended the thirty-first annual meeting of the Canada–U.S. Interparliamentary group at Kiawah Island, South Carolina, February 22–26, 1990.

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

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ABORIGINAL AFFAIRS

PRESENTATION OF SECOND REPORT

Mr. Ken Hughes (Macleod): Mr. Speaker, I have the honour to present copies in both official languages of the second report of the Standing Committee on Aboriginal Affairs on behalf of members of the committee. The title is "Unfinished Business, An Agenda for all Canadians in the 1990s".

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

Routine Proceedings

STRIKING COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I understand there is consent for the following motion:

That, notwithstanding any Standing Order of the House the composition of the striking committee of the House of Commons be amended by substituting the name of Mr. Iain Angus for that of Mr. Rod Murphy.

Mr. Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is indeed an honour and a privilege to present a petition on behalf of a number of people from the great city of Kamloops, British Columbia. The total must be over 19,000 who are asking the government to come to its senses on the goods and services tax and back off from imposing such an unfair, cruel, punitive tax on the people of Canada.

CHILDREN'S BILL OF RIGHTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have another petition on another matter. This is a rather sad petition because it was asking the members of the House of Commons to support the comprehensive bill of rights for children. As we know, sadly earlier this week the Conservative members voted against the comprehensive bill of rights for children. Unfortunately this petition is coming in a little late. However, I present it for what it is worth.

• (1120)

RIGHT TO LIFE

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have the honour and the privilege to present to the House seven petitions with a total number of signatures of 8,303. The petitioners pray that the House will take action to prevent the heinous and cruel act of abortion.

GOODS AND SERVICES TAX

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have the honour to present a petition duly certified under Standing Order 36 from such diverse communities on Vancouver Island as Nanoose Bay, Port Alberni, Campbell River, Victoria, British Columbia. Those citizens are calling on this House of Commons to reject the current proposal for a goods and services tax and to reform the tax system so that there is an effective minimum tax on wealthy individuals and corporations.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and privilege to present a petition signed by a number of citizens of the great city of Windsor so ably represented by the hon. Leader of the Opposition in this House. These people call upon Parliament to reject the government's GST which used to stand for the goods and services tax but has since been renamed the grief and suffering tax.

VIA RAIL

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have one petition to present pursuant to Standing Order 36 that discusses the cuts in VIA Rail. The petitioners petition Parliament to maintain VIA Rail, Canada's present national network and ask Parliament to upgrade the VIA Rail with new equipment.

They are further asking for a passenger train act giving VIA Rail a firm legislative mandate and that Parliament revise costing arrangements with the rail companies.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have a second petition from a number of people in British Columbia. I add this to the thousands of names on petitions I have already presented to the House against the present proposed goods and services tax.

These people are asking that Parliament reject the current proposal for the goods and services tax and reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is my privilege to present two petitions this morning, one concerning the goods and services tax and duly authorized under Standing Order 36. The people point

out that the GST is extremely unfair. The whole idea of equality has been removed from the taxation system. They plead with the government and the Parliament of Canada to turn it down.

VIA RAIL

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my second petition concerns VIA Rail, pointing out that the transportation system in Canada demands that we have a decent passenger service on the railroad. They ask that Parliament support the maintenance of VIA and the improvement of it as well.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, pursuant to Standing Order 36, I am tabling today a petition from Lebel-sur-Quevillon, in Quebec, concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Lebel-sur-Quevillon is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient with regard to the purpose of the Northern tax benefit system. It does not encourage settlement in the North and offers no incentive do develop northern resources.

[*English*]

RIGHT TO LIFE

Mr. Bruce Halliday (Oxford): Mr.Speaker, I have the honour and privilege to present two petitions pursuant to Standing Order 36 on behalf of constituents of mine in the constituency of Oxford.

The petitions have been signed by some 165 citizens who humbly pray and call upon Parliament to establish a law which protects the unborn from conception to natural death.

GOODS AND SERVICES TAX

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have the honour to present two petitions to the House today. The first refers to the goods and services tax, the grief and suffering tax being pursued by the government. It is a petition signed by residents of the central interior of British Columbia who call on the government to withdraw the tax proposal and ensure that we get a good and fair tax system.

I know they join with me in certainly urging the government of British Columbia to come clean on its participation with the Conservatives in implementing this most unfair tax.

VIA RAIL

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, this petition relates to VIA Rail, which is back in the news today because of rumours of further cuts by this government.

This petition is particularly relevant because it really gets to the core of the problem. When VIA Rail was created by the Liberals they gave it some unmanageable tasks. It calls for legislation to be implemented to give VIA Rail a mandate so that it can continue to survive and operate on a rational basis.

GOODS AND SERVICES TAX

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is a privilege for me to present this petition on behalf of many Canadians who oppose the goods and services tax. The petitioners feel that this tax will cause higher taxes, higher inflation, higher interest rates and higher unemployment. They call upon Parliament to reject the goods and services tax.

AGRICULTURE

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I am privileged today to present a petition from Canadian farmers who are experiencing increased costs in operation, reduced profit and low commodity prices. They are asking the government to reinstate the fuel tax rebate programs, the advance crop payments, fair and equal market access for Canadian agricultural commodities and to introduce agricultural policies that will encourage agricultural development in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

POINT OF ORDER

STATEMENT OF MINISTER OF THE ENVIRONMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to inform the House that I got a copy of *The Green Plan—A National Challenge*, but I had to go to the Press Gallery to get it. Distribution does not have it here in the House. I wonder if we could make sure that Distribution has copies of this document and we do not have to go to the media to get a copy.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I understand that has been taken care of.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1990-91

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-65

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved:

That in relation to Bill C-65, an Act to provide Borrowing Authority, not more than one additional day shall be allotted to the further consideration of the second reading stage and, that 15 minutes before the expiry of the time provided for government business on such day, any proceedings before the House shall be interrupted, if required, for the purpose of this order, and in turn every question necessary in order to dispose of the second reading stage shall be put forthwith and successively without further debate or amendment.

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops on a point of order.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I simply want to raise a matter as to whether or not this particular initiative has been dealt with appropriately.

First of all, I want to say I appreciate that the government House leader has been recently appointed and this is in no way criticizing what he has done this morning. He has the right to do that, I believe.

Mr. Speaker, I want to refer you to Standing Order 78(3):

A Minister of the Crown who from his or her place in the House, at a previous sitting, has stated that an agreement could not be reached under the provisions of Sections (1) or (2) of this Standing Order in respect of proceedings at the stage at which a public bill was then under consideration either in the House or in any other committee—

• (1130)

What this refers to in my judgment is that negotiations would take place between the parties and from those negotiations there would be an understanding that no agreement could be reached in terms of the amount of time left to require the completion of debate, recognizing the participation of all three political parties.

I recall a conversation taking place with the House Leader's parliamentary secretary who asked whether or not we could conclude this debate today. I think that was the nature of the discussion. I said that I was not certain, that we had some speakers who wanted to participate in the borrowing authority debate but I could not rightfully say whether or not we could conclude it today.

I must say that I was not under the impression that an agreement could not be reached either. I was not under the impression that we were not actually carrying on serious negotiations to see if we could not agree on an appropriate time for debate.

I simply raise this matter, Mr. Speaker, because I have a feeling that this is going to go on for some time in respect of future pieces of legislation. I simply want to ensure that before the government acts to close off debate using one Standing Order or another, that in fact the parties do sit down and attempt to negotiate an appropriate time for debate.

On this occasion I do not believe that process was completed. I think it was probably initiated, but I do not think it was completed. I do not recall any negotiations.

Mr. Andre: Mr. Speaker, I am at a bit of a disadvantage in this discussion in that the hon. member alluded to the fact that my parliamentary secretary, the member for Peace River, who is not here now, did in fact talk to him and the House Leader of the Liberal party, as I understand it, and then informed me that we could not get agreement.

The other parts of the conversation occurred in our weekly House Leaders' meeting which in fact are confidential. I would hate the record to show that somehow I am trying to pull a fast one and that I did not have the sense of it.

As you know, Mr. Speaker, this motion was introduced under Standing Order 78(3) which, as the hon. member acknowledged in his opening remarks, is quite legal and proper for a minister to do. But if he would like to co-operate with me and move the motion under the provisions of Standing Order 78(2), something which is allowed when two political parties agree, and if he is saying that he is prepared to see some reasonable time and we could agree on that, then I am quite prepared to ask for this motion to be withdrawn and replaced by a motion to which we both agree, provided of course it can be done within the reasonable amount of time that we talked about.

Some hon. members: Oh, oh!

Mr. Andre: If you want to co-operate and use Standing Order 78(2), then I am quite prepared to do that. In view of our conversations it did not seem to me that that was a possibility. That is the feedback I got, as well as what my parliamentary secretary, the member for Peace River, got.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Kamloops has raised a complaint. At the same time, he has indicated that at least in his mind there was a possibility of obtaining a workable understanding. The hon. minister has said that in his view that was not possible.

I have had to deal with this matter before, as hon. members know. I refer all hon. members to a ruling made on August 16, 1988, as reported on page 18380 of *Hansard*. In the very last paragraph I had to say this:

> Standing Order 117—

Which is now Standing Order 73:

> —provides for a Minister to act if there is no agreement and as I stated on June 6, 1988, the Chair must take a Minister's declaration at face value and cannot judge the quality of negotiations or of any proposals that may have been made.

I think that is the position that the Chair has to take.

However, I certainly can encourage hon. members, if there is still a possibility to enter into an arrangement, as the minister has suggested might be possible, then perhaps hon. members and the minister would like to discuss the matter further.

In the meantime I must accept the minister's motion as being in order.

[*Translation*]

TIME ALLOCATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is always possible to be reasonable, and I looked up the word "reasonable", which the minister is constantly using, in the dictionary. I would like to read the definition to the House. Reasonable, is according to *Le Petit Robert*, means "endowed with reason". It says here: "intelligent, thinking".

Well, Mr. Speaker, we accept the minister's proposal. We are prepared to negotiate intelligently, reasonably. If he wants to move for time allocation, perhaps he should put his motion on the Table, and we could perhaps consult further on the matter of agreeing on a timeframe for the consideration of this very important bill which will commit $25 billion in Canadian taxpayers' money. I am open to the minister's suggestion that we meet and discuss Standing Order 78(2), if he is still willing.

[*English*]

Mr. Andre: Mr. Speaker, that definition from the dictionary sounded like a personality description of yours truly.

I appreciate the hon. member's comments. I look forward to having those kinds of discussions on subsequent important legislation.

However, having gone through this exercise and having given adequately, as the Speaker mentioned, indications of previous negotiations, and in view of the fact that at some time the House must reach a decision, I would suggest that the most expeditious way to proceed is to proceed.

Mr. Riis: Mr. Speaker, I regret that comment by my friend, the Government House Leader. I hope that that expeditious process will not always be the governing process of the day. After all, a democracy does take time. A democracy can be somewhat inconvenient for a government.

As my hon. friend, the hon. member for Ottawa—Vanier, indicated, we are not talking about a minor tax adjustment. We are talking about the borrowing of $25.5 billion. With interest rates likely going up this afternoon, that will add considerably to the deficit of Canada.

The offer was there by both opposition parties to attempt to negotiate a reasoned time to debate this incredible borrowing authority—probably the largest in

Canadian history—but if the Government House Leader refuses that offer as you say, Mr. Speaker, then there is nothing much you can do about it.

Mr. Pickard: Mr. Speaker, I have just one comment to make.

I find this debate quite incredible. It appeared to me that the minister clearly stated in the House less than 10 minutes ago that he would negotiate this item. Yet when the offer was made by the Liberal party and by the NDP to do exactly what the minister requested, he said: "No, I won't". I find it quite incredible that five minutes after he has made an offer he could reject the fact that he made an offer.

Mr. Whittaker: That's the Tory way.

Mr. Andre: Mr. Speaker, I invite the new member to read Standing Order 78(1) and he will see that there is a provision that at any time we can agree to time allocation, if all the parties agree.

Mr. Pickard: My reference is not to Standing Order 78. My reference is to your statement.

Mr. Andre: If the hon. member would just keep his mouth shut for half a minute and let me explain, he will learn something.

Mr. Boudria: Harvie, you have a lot to learn too.

Mr. Speaker: Each day we all learn something. The hon. House Leader has the floor. I would ask hon. members to give him the courtesy of hearing him.

Mr. Andre: There is also Standing Order 78(2) which states that if the majority of the parties—in other words if two of the parties—agree then the same motion could be read.

The motion would be the same. It could be done by agreement of all three parties, agreement by two parties, or by the government alone. The outcome would be the same.

• (1140)

What I said 10 minutes ago was that if in fact they wanted to participate with me, that is a welcome change from what I had been led to believe was the situation yesterday. I would welcome it. All they need to do is to stand up and say that they agree with the motion and what I have suggested could be done would be done.

Mr. Speaker: I think that any further discussions had better take place elsewhere.

I am, of course, moved mightily by the contribution from my friend, the hon. member for Ottawa—Vanier, I would suggest that he circulate his definition of *raisonnable* to all hon. members. It would be at times very helpful to me.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by commenting on the necessity of the House of Commons to pass Bill C–65 in its entirety, consisting of three clauses the major thrust of which is to authorize the borrowing of $25.5 billion.

Mr. Boudria: Too much. You have wasted the money we gave you last time.

Mr. Crosby: The hon. member says: "Too much". I suppose he is going to argue in his presentation, when his time comes, that it should be a lesser amount. The amount arises from a calculation. The calculations are beyond dispute. There is no question about the amount. There is no question about the need and the necessity for the bill. The Financial Administration Act requires parliamentary approval of long–term borrowings. This is an annual event. If my memory serves me correctly, it has happened in some years more than once.

It is no surprise to the House of Commons that the government is presenting a borrowing bill. All administrations in the past decade or more have done the same thing, so why would the opposition be so surprised and find such need to protest this action?

Of course, members of the opposition have every right to record their concern about the massive borrowing and the massive debt of the country, but do they co–operate with the Government of Canada in a program to reduce that debt and to reduce government expenditures? No. Every day in the House they stand up objecting to this. They talk about the cuts, the clawbacks, the terrible actions taken by the government, and then when the

swallows come home to roost—or whoever comes home to roost—they complain.

The ultimate result of all their demands is a $25.5 billion borrowing. That does not bother members of the opposition. They object to that as well. They want to spend money. They want to spend more money than the government takes in in revenue. They do not want to increase the revenue. They do not want to borrow to support the difference. All we get is negative comment that adds up to empty rhetoric that cannot possibly convince the people of Canada that anybody on the opposite side is fit to govern this nation.

Let me talk for a minute about the national debt which is the *raison d'être* for the action being taken in the House of Commons today. When the government of the right hon. Prime Minister took office in September, 1984, the national debt was $160 billion.

Mr. Gauthier: What is it today?

Mr. Crosby: I want to explain that. The hon. member for Ottawa—Vanier asks what it is today. That is very easy to explain. The debt was $160 billion in September, 1984. Equally important was the fact that there was a projected deficit by the Liberal administration for that fiscal year of another $38.5 billion, totalling approximately $200 billion. That was the legacy of the Liberal government of the previous two decades. That was the legacy it left the new Progressive Conservative government—a debt of $200 billion.

I want to say to my friend, John McLeod, who writes for *The Daily News* of Halifax who said our claim that the national debt is $200 billion is a false claim that he did not know enough to add the projected deficit for the 1983–84 fiscal year to the accumulated debt to come up with the figure of $200 billion. It is very simple.

Members opposite say the same thing all the time. They say: "Oh, yes, you had a $200 billion debt, but why didn't you reduce it?" We did not reduce it because we did not want to destroy the social programs of Canada. We felt an obligation to the people of Canada to continue social programs and the kind of spending that aids and assists the economy. We could not stop in our tracks. We were very reasonable about that.

Over the last five or six years we have made a monumental contribution to the reduction of government expenditures. We are on our way to reducing the national debt. By 1995, we will actually start to repay the national debt, something that a Liberal government would not even think of doing.

Let me tell you the facts and figures on that, Mr. Speaker. When the government of the right hon. Prime Minister took office, the projected expenditures of the Government of Canada on program expenses was $16 billion in deficit. That is to say, the revenues of Canada were $16 billion less than the projected expenditures for that fiscal year.

Four years later the government has provided for a surplus in terms of program expenditures of $9 billion. That is to say, our government will collect $9 billion more than will be spent on program expenditures. That represents a turnaround in that five-year period of $25 billion.

I would like members of the House to reflect just for a moment on what would have happened if that turnaround had not taken place by virtue of the program expenditure reductions of this government. If that initiative had not been taken and we had in addition to the current projected deficit for this fiscal year $30 billion, then we would have had an extra $25 billion to add to that deficit. We would have had a deficit of $55 billion had our government not taken the action in expenditure reduction that has been taken over the last five years.

What would happen to this country with a deficit of $55 billion? We would have the situation that exists in Brazil, Argentina and many countries around the globe where people get their pay in the morning and have to spend it that afternoon, otherwise it might be worthless that evening. There would be an inflation rate going into triple digits, not double digits as the Liberal government brought us.

These initiatives by our government are paying off and are resulting in a buoyant economy. There has been seven years of continued increase in the Gross National Product. There has been seven years of reduced unemployment. I believe, and I am from Atlantic Canada, that that is the statistic that really tells the tale.

We have come down in the last five years from double digit unemployment of nearly 12 per cent to an unemployment figure in 1989 of 7.5 per cent. This is something that was unheard of in the days of the budgets of Marc Lalonde and Allan MacEachen and the Liberal over spending which did not even result in effective, economic benefits in terms of employment. While the Liberal government was over spending and creating this massive debt, unemployment rose to 12 per cent in Canada. Inflation was in double digits. Every economic indicator in Canada pointed to a problem in Canada which we have set about to resolve. We have resolved it by sensible economic measures and sensible financial policy—a common sense program.

What do members of the opposition do? They obstruct every effort at improvement. Earlier today you, Mr. Speaker, saw more delay in the House of Commons. I have a little argument with my good friend from the New Democratic Party from Thunder Bay—Atikokan. In this House on March 23, 1990, he made this comment:

> I would prefer if members of the Liberal party had not always caved in to work with the government to short circuit our delaying of the House, but so be it. That is their right.

If there was any doubt in the Speaker's mind about the necessity for bringing in time allocation and for limiting the debate on a bill, which is a common occurrence in this House, then surely that statement and other activities in this House support the absolute necessity for proceeding in this fashion.

We know that members of the opposition have no real concerns about the borrowing bill that has been presented in Bill C-65. We know members of the opposition do not intend to co-operate in some sensible way to have this measure pass so that the financial requirements can be met. Thus it is unfortunately necessary that the government has to resort to these measures to get on with the work of governing Canada and the work of ensuring financial stability for Canadians.

• (1150)

We are always told about reductions in social programs, the threat to social programs, but any sensible person knows that the real threat to social programs is a bankrupt national treasury. If you do not have the money in the national treasury you cannot support social programs. Anybody who demands the expenditure of more and more funds on more and more programs and loses the ability to pay for those programs is destroying our social network, not aiding and assisting that network.

I urge that all members act quickly to pass this bill to ensure that the Government of Canada has the financial ability as required by the Financial Administration Act to carry on the work of restoring economic stability to this country.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the debate before us flows from Standing Order 78(3). It flows from a government that does not want to have a debate on a subject matter. Therefore it cuts off debate, gags the House of Commons and imposes a limit on debate.

I want to remind Canadians who are listening here that this Bill C-65 proposes to borrow some $25 billion. We have had less than four hours of debate on the bill. Yet the government comes in and imposes time allocation on a democratic process needed to explain to Canadians what the government is going to do with that money. It will not tell Canadians what it wants to do with that money. It will not tell Canadians what the truth of the matter is, or how incompetent it is.

The truth is that this government in the last five years, in increasing economic good times, has failed to come to grips with the deficit that was just mentioned by my colleague from Halifax. Indeed, this government has doubled the deficit from what it was in 1984. It has done that even though we have had five years of international prosperity. This government has failed even to address the annual deficit, let alone the cumulative deficit of this country. It has been totally bankrupt, absolutely incapable, absolutely incompetent.

I want to tell the minister responsible for this difficult situation we are in today that the Tories' time is running out. Yet we have to accept that the majority of this House, being Tory, will have it their way. I hope Canadians will smarten up next time and not give this bunch of bandits the chance to run down debate in the House of Commons, thereby not allowing MPs of the Official Opposition and of the NDP to make comments, to ask questions, to comment positively as we usually do on the proposals put forward by the government.

I asked the minister a few minutes ago to be reasonable. I defined the word reasonable using a good dictionary, saying that it is usually used by people who are intelligent, who are willing to think a bit. Do I take it that since this minister is not reasonable that he is not intelligent and he cannot think? I am not saying that because that would be demeaning the individual. I am saying that his politics are not intelligent. I am saying to him that his methods of using a jackhammer when he could be using a smaller tool would be much more in keeping with democratic processes.

I want to address the process. Usually House Leaders, and I happen to be the one for the Liberal caucus, meet regularly with the government side to discuss the agenda of the House, to discuss House business. It usually happens on Tuesday. The minister will give us the government's plan for the coming week.

Today, this afternoon, I will ask him after Question Period what his plans are for the coming week. He will give them to us. These plans are arrived at, we hope, following consultation with all interested parties, that is, the Official Opposition and the third party.

But, Mr. Speaker, this is the thirty-fifth time in less than five years that the government has either used closure—the gagging of the House—or time allocation. Thirty-five times the government has used one of these to ram through legislation because it would not listen to debate. It would not listen to reason. It was not being very intelligent. Yet the government wonders why, today, it is at 17 per cent in the polls. I will tell the government why. It is because Canadians are saying: "We don't want you guys over there any more. You are a bunch of incompetents. You hide from us. You are secretive. You do not tell us what is going on. Yet you ram legislation through with your majority".

I ask the member from Mississauga to sit down and listen to this. I am telling him that someday he will regret being associated with that bunch of people he calls his friends in the Tory party. He is a nice fellow, and I have nothing against him. It is the gang he hangs around with that I cannot stand. They have absolutely no understanding of what the process is all about or what democracy is all about.

I say the same thing to the member for Halifax West. I like the guy. He is a nice fellow, but he too hangs around with the wrong gang. He will have to account to the taxpayers come the next election. He will be very sorry to hear them say: "We don't want you any more, Howard". That is going to be the message they are going to have to give this fellow.

Do you know why, Mr. Speaker? Because they have been absolutely incompetent in coming to grips with the problems of this country. They have been unable to work with the House of Commons. Even though the government has a massive majority, it has been unable to come to us in a reasonable fashion to put reasonable things before the House. They have been unable to do as reasonable people do, that is, debate. Normally, after a reasonable debate, the question is put.

I am a very reasonable man, and even the minister will admit that. I want to negotiate time allocation if we have to, but within another a specific order. If he needs to have certain legislation, we have always said that we would co-operate.

The hon. member from Halifax West mentioned co-operate in his comments. He said that we did not co-operate.

[*Translation*]

In French, to co-operate means to operate with someone. Mr. Speaker, that is what we want to do with the government. We want to try and help them out of the present morass. We want to help these poor Tory members regain some of the pride they had in belonging to a big party that is now sadly crumbling. With 17 per cent of support in the polls, Mr. Speaker, this means not one of them would be re-elected if an election were held tomorrow. That is the truth, Mr. Speaker. And there they are, wielding a big stick, imposing closure and time allocation and telling members: we don't want to listen to sensible arguments, we don't want to listen to a democratic debate. We only want to end the debate, gag the House of Commons and impose our ideas, our ideology.

Mr. Speaker, about the mushrooming deficit referred to by the hon. member for Halifax, the Minister of Finance, when he was elected, announced a five-year plan that would reduce taxes by half by at the end of that period. Well, Mr. Speaker, he failed to keep that promise as well. Today, the federal deficit has doubled. In 1984 it was $170 billion, and today it is $351 billion. Mr. Speaker, with all due respect for the Tory caucus and all the Tory

ministers, they started their fight against the deficit in 1984, at a time when we were in good shape and the international economy was in good shape, but the government failed to reduce the deficit in five years. The deficit is certainly not less than it was in 1984. And I ask you why, since they taxed Canadians 31 times, in the form of 31 additional taxes in five years, why none of this was able to absorb the national debt? Why? Because they are incompetent and entirely incapable of running this country, and it is high time we got rid of them, Mr. Speaker.

• (1200)

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I must say that there are dark, evil and sinister forces at work in the House at this moment.

I look across the aisle and I see Conservative members as individuals. They are very decent people. But something happens when they get together. They start thinking in terms of totalitarianism or dictatorial initiatives; and they do not like to hear dissent. They do not like to hear people saying that they are doing the wrong thing.

Let us understand what is happening at this moment. The government decided, because it has mismanaged the economy so badly, that it had to bring in a special bill, Bill C-65, to ask permission to borrow vast sums of money. It is not hundreds of millions, or a billion dollars, but billions and billions of dollars, $25.5 billion. Can you imagine what the interest on $25.5 billion is going to cost the taxpayers of this country because of the mismanagement of the government?

The bankers love the Tories because they know that they are going to rack up the biggest debts and deficits ever seen or imagined in this country. The bankers say: "We thought the Liberals were bad, but my goodness the Tories doubled their debts".

Let us look back at what this government has done. It introduced this bill and then said: "Listen, we have to pull a quickie here because if the people of Canada realize what we are doing, they are going to get awfully upset, so we are not going to allow any debate on this bill". Can you imagine not allowing any debate on a bill that requests the borrowing authority for $25.5 billion? That is what the government says. "We do not want to hear any opposition. We do not want to hear any criticisms of what we are doing or this incredible debt load we are about to impose on the young people of this country". So it brought in a form of closure which is a totalitarian tactic that this government now has introduced time and time again because it does not like opposition members telling the truth.

The government does not like people telling the truth. The other day there was a poor priest out in front of the Parliament Buildings. I might disagree with the cause that he represents but he has the right to stand in front of his Parliament Buildings with a small plaque outlying the cause of his concern. He has a right to do that because this Parliament does not belong to the Conservative party. This is not the Conservative government's Parliament. This is the people of Canada's Parliament.

The priest was quietly standing there day after day as his way of protesting what he thought the government was doing and to suggest to members what he thought that they should do. What does the government do? It passes a law in secret and then brings in the police to drag this poor priest down to the jail, throw him behind bars and clank the doors closed, and he sits there for days and days in shackles, my hon. friend from Edmonton tells me. All this person did was stand in front of his Parliament, quietly, day after day. He was released from jail and now he is going to be going to court. Presumably he will be found guilty. I do not want to presume that but I suppose if the law that the government brought in is enforced, which everybody now agrees is a totally silly, oppressive law that ought not to occur in a democratic country, he will be found guilty and have to pay a fine presumably, to say nothing of others who were also arrested.

Why does the government want to do business in secret? Why does it want to do business behind closed doors? Why does it not want people to know what it is doing? Why does it not want to allow opposition members to voice their concerns? No wonder people are cynical about the government. No wonder the people of Canada do not trust the government, because it does not allow the free expression of people's views in this country. It is a very totalitarian approach, just as the East Bloc countries are opening up their systems and stating that they welcome dissent, and welcome people grouping together to express their views and indicate alternatives. While the East Bloc countries are lifting off the shackles, here they are shackling priests and throwing them in jail

for doing nothing more than simply standing in front of the precincts of Parliament.

There is something sinister about this process. We just cannot stand here and say that there is nothing we can do about this; this is something that is appropriate. It almost makes one gasp when looking at the record.

Back in 1979 the government decided to use some form of closure twice. In 1980, when there seemed to be an impasse, the government decided to use closure once to get their legislation through. Goodness knows, at the end of the day, after considerable debate, the government has the right to pass legislation, but only after reasonable debate.

In 1981 there was one effort to muzzle off the Parliament of Canada. In 1984, it was used twice. Then the Conservatives were elected and time after time closure was used. In the report I received from the Library just a few minutes ago on statistics respecting House business, we find that in the last 11 months, time allocation or closure was used a total of 15 times.

This is a government that does not like freedom of expression. This is a government that does not like freedom of speech. This is a government that does not recognize the traditions, practices and customs of Parliament. It does not recognize that there is an opposition. We have an obligation to Her Majesty to oppose and critique government legislation. That is our job. We are paid to do that, and the government will not let us do that.

Look at the times the government has closed off debate in the House of Commons, the last place where the elected representatives of the people of Canada can express their views. This is the way it has been done for decades, in excess of 100 years. This is the way it has been done in the Mother of Parliaments for hundreds of years. Yet this is the only government in Canadian history that has used closure and closure and closure, time after time and it is accelerating.

If the people of Canada really knew what was going on, they would probably be revolting. They would find what is going on revolting, and they in turn would revolt. The government is going to borrow, on their behalf, $25 billion. What is worse is that this afternoon the interest rates are probably going to go up, which means billions of dollars in additional interest rate payments will be paid by our children as a result of this government initiative, and after only a handful of hours of debate on one of the largest borrowing authorities in Canadian history the government states that it is not going to tolerate any more debate. That is wrong. It is undemocratic. There is no place in a parliamentary institution, after that length of time, for the government to muzzle debate. Had the debate on this borrowing authority for $25.5 billion gone on for a week or two I can see then the government stating that it is time to move this legislation to the next stage.

Is there a single Conservative member opposite, and I look at my hon. friend, the chairman of the cultural committee, who is prepared to stand up in this House and say: "I believe that after a handful of hours, one day debate, it is time for the government House leader to muzzle off the Parliament of Canada." I am waiting for them to make those comments, because those comments would have no place in a parliamentary democracy. They would have no place in a country that has prided itself on free speech. Yet, that is exactly what is going on.

In another hour and a half we are going to vote on this. I really hope that any member who rises in this House to support this muzzling of Parliament, this closing off debate at this stage of the largest borrowing authority in Canadian history and part of a process which we have never seen before in terms of being so anti-democratic, will think before they support this legislation.

Let's recognize that eventually the sides are going to switch in this House. Members opposite can be smug and say: "We are in government now and we can do anything we want." That is not the way the parliamentary system works. This is not a four year dictatorship that we have in this country. There is a role for the opposition parties. Unfortunately it has become a four year dictatorship, but the parliamentary system requires that legislation be debated. That is why we are here. It is our job to debate legislation. But to debate legislation, we must have time. We must have the opportunity to do that.

That is why I appeal to those members on the government side when the time comes to vote, please vote for freedom of speech. Vote for democracy and vote to uphold our traditions of Parliament that we dearly love.

• (1210)

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, it certainly must be Thursday noon because of what I am hearing from my hon. colleagues from the New Democratic Party this morning in the debate on this borrowing authority which the government seeks. I find what I heard this morning absolutely unbelievable.

I seem to recall a few days ago sitting in the finance committee when the very party criticizing this government for restricting debate, filibustered real debate for 30 hours on the finance committee considering the proposed goods and services tax. They really filibustered and talked about every kind of nonsense, what Canadians were not at all thinking about, and now accuse us of restricting debate. When proper debating times were given and accorded the opposition party, they were the ones who filibustered.

They stand here today screaming about the authority to borrow this money, which goes into the financing the debt, and nobody denies that there is a tremendous debt, but also funding programs. These are the very programs that the New Democratic Party always says are too little, too late. For the last six years, every time a New Democrat stood up in the House of Commons, he or she said the government did not spend enough money on a program, whether it was agriculture or whatever. When the government spent a billion, they stood up and said it is too little, too late. They would have spent $2 billion.

The fact is that the money we are trying to borrow to run this country would never have been enough for members of the New Democratic Party. They would have had to borrow $50 billion because they speak out of both sides of their mouths. They are saying we should debate the amount we are borrowing and yet I have heard for six years that whatever we did, whatever program, we never spent enough money.

Where do they really stand on the issue of financing government projects? Do they want the government to spend more on these programs, in which case there has to be revenue, in which case there has to be borrowing authority. On the other hand, do they want to reduce these programs? I do not think any one member of the New Democratic Party could stand in the House today and persuade any Canadian to vote for them if they would reduce programs.

In fact, the very bill that we are debating is a money bill. It is a requirement of funds for programs to finance debt. Every one of them knows that prior to 1984 when the Liberals were in power, they supported the ridiculous spending programs of the Liberal party, knowing that some day Canadians would have to pay. That is exactly what is happening today. The biggest portion of our debt since 1984 is moneys to pay back former debt which is almost $100 billion or $120 billion. They do not want to stand and talk about it because even the New Democratic Party was responsible for that debt.

When we hear the hon. members from that party stand in their place and say the government gives too little, too late, there is not enough for agriculture, not enough for seniors, not enough for this and not enough for that, what they are saying to Canadians is that we should borrow more money. We should actually borrow billions more, as they were used to with their colleagues. That is what has happened and what has been suggested.

Even members of the Liberal party have stood up in their places since 1984 and said that the government has not provided enough money for programs for Canadians. That is the way of the past. There is going to be a fear as we approach the next election that that old group, the old team is going to revert back to the style of borrow, borrow, spend, spend. There will be no conscious effort to reduce the deficit as we are seeing the Minister of Finance do. They never talk that way. I recall vividly during the last campaign that the then leader of the Liberal party suggested that they were going to reduce the deficit. Yes, that was the plan. They had no way of achieving that, but that is what they had a plan for. I suppose if you were to really investigate the New Democratic's platform, somewhere hidden in small print for a specific audience, they would say: "We, too, would like to reduce the deficit." But first they would like to crank it way up to get everybody on side. This government was mean-spirited, this government did not give enough to the seniors, this government did not give enough for education.

Some hon. members: Hear, hear!

Mr. Holtmann: There they go! I've got them clapping already, Mr. Speaker, because they want more. But then they have not decided in fact how they are going to pay for more.

My colleague in the Liberal party is starting to laugh because he sees the folly of the thinking over there. Yes, Felix, yes, Mr. Member of Parliament from Portage la Prairie, we do want more. Once again you fell into your own trap. That is why you do not get elected as a government because people are so afraid of the irresponsible actions and positions that you bring forward in the House of Commons.

In fact, maybe you belong in that corner from now till eternity to represent some of those radical left-wing views. Certainly, some constituents will say: "I have a good representative in Ottawa. He is a marvellous chap, or a wonderful lady. He really represents the way I would like to spend money. He really represents the way we should get everything from those rich tycoons living around the country. We will be the Robin Hoods". There they are, the Robin Hoods and the Robin Hoodesses—I do not know what you call a female Robin Hood, but there are some of them over there as well.

They sit sanctimoniously and righteously and say that what we are doing is wrong. Yet if they were ever in power we would probably have to borrow twice this amount. Not $25 billion. That would be peanuts for those people over there. They would have to borrow $50 billion, maybe $100 billion.

They know how to spend. But you will not find an individual in that party who knows how to balance a business sheet and knows how to make economies tick because they come from a background of non-business. They come from some sort of a social welfare background. They do not know that this country is built on hard work, people who work hard and contribute.

By the way, the Tory Parliament is represented by a cross-section of Canadians. I mean, you have them right down from pig farmers like myself to doctors, lawyers, accountants, business people, and truck drivers. I would like to take a look at the cross-section of that particular group over there in the corner because I am sure it is not very different. One almost has the same profession as the next, to spend money.

Mr. Speaker, if this government knew it could get some solid and sincere debate about this borrowing act from those opposite, somebody who could hold an intelligent conversation about this particular discussion, I suppose we would endure the request to go on for a few days. But what we are getting is nonsense rhetoric. Absolutely nonsense, and rhetoric of how this government never spent enough before, never spent enough on any program, and yet on the other hand should not have the right to borrow this amount of money with which to sustain the programs and the economy of the government as a whole.

They do not know which way they would like it. It would be most interesting to hear some comments. Is anyone over there suggesting we should not borrow this money? I will bet you there is not one member of Parliament in his seat who, if he knew his pay cheque would be cut in half, would stop this borrowing authority. You never hear them talk about that, not a chance.

I just saw the entrance of one of the members of the New Democratic Party. He is probably going to put his pay cheque on the line for this borrowing authority. He says it is probably worth losing my pay cheque to stop this borrowing authority—

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I probably do not need to draw it to the hon. member's attention, but he has been a member here for some time and what he has just done is not what is normally done in this House, referring to the absence of members of Parliament. The implication of course is that people are aware—

The Acting Speaker (Mr. Paproski): That's debate. The hon. member for Etobicoke North has the floor on debate.

• (1220)

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the borrowing authority is traditionally an occasion in the House of Commons when members are able to debate economic policy of the government, and it is my regret that on this occasion the government has chosen to cut off debate before that discussion has taken place. There is certainly much to be said about the government's failure to provide real economic leadership in our economy, real economic leadership to the Canadian people.

It is a well known tenet of basic economics that a short-term deficit can be a major way of promoting growth and demand during a downturn in a business cycle. The opposite side of that equation is that when the economy re-enters a period of growth, public expenditure must be reined in, both to reduce inflationary pressures in the economy and to repay the debt which the government incurred when it was stimulating the economy.

This government has shown no evidence of real commitment to constraint in its spending during the past eight years of remarkable prosperity; prosperity I might point out which was to a substantial degree triggered and augmented by the spending of the previous government during a period of economic recession.

The single failure of this government to employ both fiscal and monetary policy to restore our economy to growth and expansion is everywhere evident. Since the 1981 recession, Canada has experienced uninterrupted economic growth. Yet during this period the government has allowed the public debt to more than double. The public debt is well over twice today what it was when this government entered office.

In 1988, for example, the net financial debt of the federal government, the provincial governments and the local governments across Canada was about $400 billion or over $15,000 for every Canadian. Among the other major members of the OECD, only Britain and Italy had a higher debt to gross national product ratio.

The growth of this debt is of even more concern than its size. Admittedly, there has been some modest progress in reducing the ratio of expenditures to revenue. In 1984, when the deficit reached its peak, federal expenditures were equal to 24 per cent of GDP, whereas federal revenues were only 17 per cent. By 1988, the government reminds us, federal expenditures had dropped to 21 per cent of GDP and revenues through tax increases had risen to over 18 per cent. These modest gains were more than offset by the dramatic rise in interest rates and accordingly in debt service charges.

According to the finance minister's last budget, average interest rates for the next year are forecast at over 11 per cent, while Canada's growth rate will average no more than 2 per cent.

When interest rates are higher than the rate of growth, the stage obviously is set for a further explosion in the public debt. Under these circumstances, the primary budget, that is excluding net interest payments, must generate a surplus sufficient to offset the growth in interest costs, if an increase in the debt is to be avoided. In other words, increases in revenue and reductions in government expenditure are both needed simply to overcome the rising costs of the public debt. Yet there is no evidence that interest rates will fall dramatically in the short-term, despite the Finance Minister's optimistic predictions.

Largely as a result of six years of government overspending, inflation is now running at more than 5 per cent. Moreover, escalating rates in Japan and in western Europe will force the Bank of Canada, if it chooses to continue its present policies, to raise its own interest rates if Canada wants to continue to attract foreign capital and to maintain international confidence in our dollar.

This afternoon, I think we will see interest rates increase yet again. There is certainly every reason to believe that interest rates will be even higher than those forecast by the Minister of Finance not a month ago.

What are the implications for Canadians of this mismanagement of our economy? First, we increase our net foreign liabilities. Of course, many Canadian corporations, public utilities and provincial governments traditionally have borrowed abroad. Recently, however, the national government also has turned to offshore borrowing as a way of financing its debt and its expenditures. About 30 per cent of Canadian Government bonds are now held by foreigners. With the current high levels of interest, an increasing share of wealth will now be siphoned off abroad in order to pay those debts.

Moreover, the Canadian government will become that much more addicted to high interest rates and a high Canadian dollar, if it is to continue to attract the high levels of foreign capital it believes that it needs to finance its operations and its growing debt.

The second major implication for Canada is that private investment will be discouraged by the present fiscal and monetary policies of this government. The high levels of taxation needed to finance the federal deficit has undoubtedly served to crowd out domestic investment. The Canadian economy today needs about $100 billion a year to finance itself. But since only $40 billion of this can be supplied from consumer savings in Canada, the economy looks offshore for almost $60 billion a year.

Moreover, the government's failure to solve its debt problem has raised further concerns about future levels of taxation. That, in turn, undoubtedly discourages private sector capital formation.

Further, given the current differential between domestic and international interest rates, Canadian businesses are encouraged to draw upon foreign savings, and these foreign borrowings have in turn pushed exchange rates for the Canadian dollar far beyond what our productivity would seem to warrant. The implications of a high Canadian dollar for our existing and future trade opportunities, particularly in light of our increased vulnerability to the United States, is obvious.

I want to remind the House for one moment that when we speak of government borrowing, we are also speaking of a form of social inequity. We are redistributing wealth upwards from the less affluent sectors in our society. It is after all, every Canadian who ultimately pays interest on the public debt. And since this debt is held mainly by more affluent Canadians, it is clear that there is a negative redistribution of wealth from the bottom up.

There is much more to be said about the government's present fiscal and monetary policies, but since it has chosen to cut off debate, I shall have to satisfy myself with these few comments.

• (1230)

Mr. Al Johnson (Calgary North): Mr. Speaker, I am very pleased to rise today to speak to Bill C-65, a bill with which the government wishes to borrow $25.5 billion.

This borrowing is fundamental to our government's objectives as they were presented in the recent budget. Our objectives are to cut spending and reduce the deficit. I know that the people of Calgary North are very concerned about these objectives and want to see them accomplished. Any delay in passing this bill will interfere with these objectives.

There is a growing understanding in my riding about the need not only to cut expenditures as we have, but to continue to cut expenditures in the future.

The people of my riding understand that when the government took office in 1984 spending was out of control. Over $25 billion a year was being spent in terms of the balance between revenue and operating costs of the government. At that time, the government was spending $16 billion more than it was receiving in revenues. At the present time, we are spending $9 billion less than we are receiving in revenues. Despite all this, we have heard many objections about some of the actions of the government, such as the plan to bring in the goods and services tax.

My constituents realize the need to reorganize the tax system. They realize that a fundamental part of our budget is to restructure the tax system so that we have a clear-cut, visible consumption tax as well as an income tax. These are two fundamental objectives that any government should have. Those who use in society should pay in proportion to their use, and those who gain from society should pay in proportion to that gain. These are the fundamental objectives of any tax system. We have undertaken to revise the manufacturers' sales tax which is such an insidious detriment to our economy.

In Alberta, we need to free up our industry. At the present time most people do not realize that the manufacturers' sales tax means that some 1 per cent to 2 per cent of the cost of production of oil and gas exported consists of manufacturers' sales tax. For the companies operating in Alberta this means that that 1 per cent extra revenue could mean as much as a 10 per cent increase in their profits. That profit would certainly go toward improving the economy of Alberta.

With regard to the GST, I think it is also important to note that senior citizens in our area are beginning to understand how important this move is to them and that they will not be hit detrimentally by this tax. Many of them are now waiting with some anticipation for the rebates of the GST which they will receive every three months.

I was also interested to receive a delegation from the Calgary Real Estate Board. I assumed they would be telling me they were against the GST because I had heard about many individual real estate agents in my riding telling customers to buy now because prices would go up when the GST came in. But the members of the Calgary Real Estate Board acknowledged to me that only about a 1 per cent increase would take place in

home prices for normal-sized homes—that is up to $350,000 in Calgary—and that in fact rate of increase that takes place normally in the market roughly every two weeks in Calgary, due to the vibrant economy that we have.

Bill C-65 is simply a borrowing bill that will allow the government to get on with its job, to reduce the deficit to some $28.5 billion this coming year, and to bring it into balance in 1995. This is a difficult and, slow process, but it is important to understand that the deficit that we now have is not primarily the result of the actions of this government. This government inherited a deficit of some $200 billion and, admittedly, while it was trying to crank the spending down, it spent another $30 billion or so in addition to the revenue that it was receiving. During that time, the interest alone has added some $150 billion of interest so that we now have a debt in the order of $380 billion.

The hon. member for Ottawa—Vanier indicated that we would not tell him or the House how this money that we want to borrow is going to be spent. Every detail of how we want to spend this money has been presented in the budget. The budget has outlined clearly such things as transfers to persons, some $35 billion. This $35 billion is not affected by the restraint program and the elderly will benefit to the tune of some $17.5 billion of that amount for the old age security program, the guaranteed income supplement and the spouses' allowance. The increase in this spending is due to the increased numbers of people receiving these benefits. But we have limited the increase by introducing a 15 per cent repayment program for those individuals whose net income is over $50,000. This further restrains the amount that we need to borrow under this bill.

Under the transfers to persons, the unemployed will receive some $13.3 billion. This is an increase in the amount of money spent on unemployment, despite the reduction in the level of unemployment in the country. The dollars are up because the benefits are up. We have also, quite rightly, introduced structural reform which will restrain the amount of money that we need to borrow under this bill.

Under the family allowances program, some $2.7 billion will be paid out. Admittedly, this is a lower amount than in previous years because we have fewer payments due to the smaller size of families. Again, we have been responsible in capping and restraining the need to borrow by introducing the 15 per cent repayment for those whose individual net income exceeds the $50,000.

Veterans payments remain unchanged at $1.3 billion.

There are other payments which are, of course, outlined in detail in the budget. There are the transfers to governments of $36.1 billion. These payments are being made to provincial, territorial and municipal governments, $24 billion in straight cash and $12.1 billion in tax transfers.

There is Established Programs Financing. The growth of this program has been reduced by 2 per cent in 1989 and 1 per cent more in 1990. This is further action taken by our government to cut spending and reduce the need to borrow.

• (1240)

The Progressive Conservative government has introduced programs to reduce spending in virtually every area and has kept the amount that we have to borrow under this bill to an absolute minimum.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, here we are again, instead of debating the contents of Bill C-65, an act to provide borrowing authority, debating another one of the government tactics to prevent debate, and that is closure. I do not know when the government is going to learn that when it brings important topics to the floor of the House, there should be no time allocation, there should be no closure.

Here is what a Canadian, the minister's friend from 401 Bay Street, Mr. Bruce Haines, thinks of the Prime Minister's and the minister's tactics of closure. I will quote from his letter:

> Dear Prime Minister
>
> You have resorted to closure in the House of Commons to fend off the avalanche of criticism directed against the GST and inundated newspapers with taxpayer-paid propaganda about the tax as if it was

already the law of the land. On the theory that a lie will gain acceptance if repeated often enough, you have urged Canadians to believe that the 7 percent GST is little more than a benign replacement of the 13-1/2 percent Federal Sales Tax (which was only 9 percent before you got elected and then only imposed on certain goods at the factory or manufacturing level).

Mr. Haines also says:

Never before have Canadians been treated so shabbily by a government which, against a nearly unanimous outcry, has expressed a determination to saddle them with the biggest and most cynical tax grab in history, the GST—Why should Canadians trust you with another dime?

On February 28, 1990, the Hon. Minister of Finance said that he was proud that he has moved, and I quote "further and faster" than his counterpart in the United Kingdom. I would suggest to him that he slow down, because if he does not, he is going to find himself out in the cold, way ahead of his hero in 1992. The race is on. Which of the two parties in question is going to be first in the loss of support among its own party colleagues? The standings to date show a draw, one Tory riding in Canada to one Tory riding in the United Kingdom. We are not even out of the starting gates.

In the United Kingdom, the last straw was the introduction of what is commonly referred to as the poll tax, a tax levied on the number of adults in a household. Estimates done by officials had put the average expected tax at approximately $565 Canadian a person. The actuals come in at approximately $742 Canadian, a difference of approximately $180 Canadian a person. This is not per household but per person. That means that for a family of four, it will cost $800 Canadian more in a year in taxes than anticipated. That is no joke.

This example begs the question of exactly how accurate the estimates that are being thrown around by our hon. minister are with respect to the GST. It also begs the question as to what exactly the government wants to achieve. Granted, the bottom line in the United Kingdom looks good in terms of financial management, but let us look at the underlying side effects of the numbers. In other words, let us look at the effects suffered by the people of the United Kingdom.

In the words of Andrew Gamble, a professor of politics at the University of Sheffield, and I quote:

—the policies of Mrs. Thatcher precipitated a major shake-out of labour and the destruction of a large part of Britain's manufacturing capacity pushing millions into poverty, destroying and demoralizing many communities and accelerating the decay of the inner cities and the older manufacturing areas.

According to the OECD statistics, in every year of this decade unemployment has been higher in the U.K. than any other of the summit seven leading industrialized countries. In the latest comparable statistics from OECD, unemployment in the U.K. was over 50 per cent higher than the average of the other countries.

This will sound familiar to most of my colleagues in the House but this was as a result of cut-backs in public spending and borrowing, direct tax cuts that were counterbalanced by indirect taxes, increases via the infamous VAT which caused the burden of taxes to rise.

There are approximately three million unemployed in the United Kingdom. Beggars defined as less deserving, not less fortunate, have become a tragic visible symbol of the country's policies.

If these are the types of policies admired and embraced by the government, we are in big trouble. We better start to defeat this government now because in a few years this country will bear no resemblance to what we have come to know as Canada.

We will be in the same situation as the United Kingdom. Thank you very much but, personally, I do not want to see more food banks as a result of more families starving. I do not want to see more people sleeping on the streets than are already there. God knows I have enough of those in my riding. I have absolutely no interest in seeing one of my country's most valuable and essential resources such as water being privatized.

The hon. minister has been tightening the belts of Canadians for six years, "for their own good" he says. If the government can rid itself of the deficit all Canadians will benefit from it. Yet, he insists on keeping interest rates high—and I expect they will go even higher today—forcing the debt to grow even larger at the same time and increasing taxes and cutting back on programs for the most needy Canadians.

It reminds me of a story of a hotel owner in the Klondike who fired his bartender. "Why?", he was asked. "Because he was crooked," was the answer. "I watered the whiskey and watered the whiskey and I still couldn't make any money." The minister has been watering services to the public. He has been watering his

commitment to the public. He has been watering down the pockets of Canadians.

All over the world, people are opening up to new ideas. Here we have a rehashing of ideas that did not work in 1985, 1986, 1987, 1988 and 1989. But for some reason they are all of a sudden going to work in 1990. The Minister of Finance said: "We have to be more productive and more competitive." He continues to reduce budgets for R–D and science and technology. He has cut, not reduced, transfer payments to provinces that will result in an incredible rise in the cost of higher education.

Are we going to harmonize our educational system with that of the Americans? The average tuition of a state university—and I am not talking about Harvard. I am talking about an ordinary university—is $18,000 American a year. Are we going to be more competitive when Canadians can no longer afford to educate themselves? Education is the most important weapon against poverty. It is the most important tool for our younger generations in trying to secure for themselves an adequate standard of living.

This fact obviously escapes my hon. colleague, the minister, who plays politics with the future of our country by passing the buck. It begs the question, the quality of brainpower behind this fudge-it budget. The priorities of this government are based on money, not people. They do not reflect the spirit of Canada. If the Prime Minister could manage to limit himself to a pair of shoes, like the majority of Canadians are forced to do, maybe a homeless family could move into his closet.

I am not trying to be funny. The question of homeless people is a growing one as less Canadians are able to afford both food and shelter. Yet this government decides to cut the social housing budget by 15 per cent in 1990–91 and a further 15 per cent in 1991–92. Over five years this budget will lose $165 million. There are over 200,000 homeless people in Canada and a further 84,000 a month who, after paying rent, have a mere $23 a week to spend on food, medicine and clothes.

The number of people using emergency food programs in Metro Toronto has doubled over the past three years. The average income of people who are forced to use food banks is higher than in 1987, but the remaining income after rent is not.

According to a special report by the Daily Bread Food Bank located in my riding, a food bank agency that is very credible around the world—and I want to give them credit and congratulate them—states that this fact implies that people with higher incomes who were not food bank users in 1987 can no longer make ends meet today because rental costs leave them with insufficient funds to buy basic necessities. This government is picking on the very Canadians who need help the most. They have cut funding to groups for the poor, disabled persons, women, minorities, natives and seniors. To add insult to injury, we are told that we do not understand the issue. We are told that we do not understand why the government has to cut back. We are told that if we really understand the GST, we would welcome the tax. This government undermines the intelligence of Canadian people. Canadians will not accept the GST.

• (1250)

Mr. Speaker, I jut have one more sentence.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. The hon. member for Moose Jaw—Lake Centre.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to speak at a time when there is a cloud over this whole institution of Parliament. It is a cloud placed there by this government. After only three hours of debate on a bill to borrow some $25.5 billion, this government has again—I think it is the thirty-fifth time—invoked closure or time allocation.

Personally, I am annoyed because the last time the GST was debated in the House I was unable to speak because of closure. I was too far down the list and time ran out.

Most people in my riding are very upset with the way the government is muzzling members of this House. They are also upset with the way the government is running this country with respect to taxes. They are upset when the minister says there are no new tax increases in the budget and that is not true. They are upset when the minister says that we went through good times but now it is time to tighten our belts. People in the Moose Jaw—Lake Centre riding, who are they? They are mainly seniors, small business people, farmers and workers. They are middle income earners and lower

middle income earners. They do not mind paying their fair share of taxes, but that is not what is happening.

In Saskatchewan services and opportunities are drying up. In Moose Jaw businesses are closing at an alarming rate and housing prices are depressed. Saskatchewan alone in the last four years has lost some 50,000 people. That is 50,000 people out of a population of one million. We have 14 per cent of our population living below the poverty line. This is the second highest in the country. We have no Conrad Blacks or others of his ilk. We have no major corporations that made some $27 billion in profits and pay no income tax. We do not have those types of people. For the minister to tell the people in Moose Jaw—Lake Centre that they have to tighten their belts is simply insulting and they realize how much this government has lost touch with the people of this country.

This government is good at misleading Canadians. The finance minister says there are no tax increases in the budget. That is not true. The GST is certainly a budget bill and will increase taxes in the country to bring in an extra $5 billion in revenue a year. There is another item that the government has conveniently overlooked as well. This year's budget is really a continuation of last year's budget where cuts were made.

Because of the time, I will only focus on the area of agriculture which is important to Saskatchewan. In last year's budget announced over a year ago there were cuts that will take effect this year. Crop insurance, $110 million; at and east freight rates, $40 million; branch line rehabilitation, $4 million; advanced payments $27 million; dairy export program, $7 million; commodity-based loans, $8.5 million; Canadian Dairy Commission, $7 million; fuel tax rebate, $125 million. That is a total of $328.5 billion taken out of the agricultural economy this year from last year's budget. There are cuts and this year's budget is simply a continuation of last year's budget, pure and simple.

I have been speaking with many people in my riding who are upset and angry with this government. I would like to highlight one particular example. Mr. Bert Mickleborough came into my office some time ago. He was outraged at the way the government is performing. Mr. Mickleborough has brought in tax receipts and pay stubs for me to bring to the House today. He has indicated that he voted for the Progressive Conservatives in the past but certainly will not do so in the future.

I would like to outline Mr. Mickleborough's situation which is not untypical of the riding. Mr. Mickleborough is 35 years of age and lives in Moose Jaw. He is married and has two children aged 11 and 8. He is a certified engineer technician. He is working and not living off the government. He is not taking the dole. He has never been on unemployment insurance. He is a hard working member of the community.

Mr. Mickleborough feels outraged when the Minister of Finance says that Canadians have been living beyond their means. He has not. He is maintaining a very small debt, lives in a 1,100 square foot bi-level with three bedrooms, does not take holidays to Disneyland but may drive to Medicine Hat, 200 miles down the road for a holiday. He is not living beyond his means. He is outraged at this suggestion. He is so upset that he gave me his receipts indicating that in 1983 on a two-week basis his cheques were $1,320. They are now $1,722.40 which is a 30 per cent increase. However, his tax has gone up from $365.08 to $506.34 which is a 39 per cent increase.

Mr. Mickleborough is a middle income Canadian earning approximately $40,000 a year whose taxes have increased faster than his income. Now he has to face the GST tax. This typical Canadian did not intend to rock any boats. He is happy, but is so upset by statements of this government that he has come forward to ask me to bring these facts to the attention of the House.

What we need is a government which will bring forth a budget that will build for tomorrow, that has a strong commitment to the environment, that has a plan to build and sustain regional economies, that will cut the interest rate to support economic growth and restore and improve social programs. We need a government that will allow families such as the Mickleborough family to live and work in an environment that will encourage them to do that type of work.

We have lots of Mickleboroughs across the country who are hard working Canadians, who deserve better than this and are being simply ignored by this government.

Mr. Speaker, I realize my time is just about up. I would like to conclude by saying that we do need a government that will listen to all Canadians and not just to the upper crust such as the Conrad Blacks. We need a government that will respect the needs of Canadians and to allow them to have healthy, happy and productive families. This government failed to do that in the past. It continues to fail to do that now.

Bert Mickleborough is typical of many voters throughout this country and he certainly intends to let the government know his feelings next time when it really counts at the next federal general election.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

P.E.I. SNOW CRAB FISHERY

Mr. Joe McGuire (Egmont): Mr. Speaker, there is great concern among the snow crab fishermen of Prince Edward Island that their livelihoods will be endangered if the Department of Fisheries and Oceans drastically reduces the snow crab quota in P.E.I. zones.

It is my opinion that Prince Edward Island should not have a restricted zone. P.E.I. snow crab fishermen should have open access to the fishery, equal to the access that the New Brunswick and Quebec fishermen have.

It is discriminatory that my fishermen have to stay within a small zone which is open to the other Atlantic Canada fishermen. Prince Edward Island's 30 licenced permit holders must have a quota which both sustains their incomes and keeps the high quality crab processing line operating at the Tignish Fisheries Co-op.

Our crab fishermen support the concept of a management plan for the fishery. Stocks have been depleted and the remaining stock must be managed for the long-term benefit of all concerned.

Prince Edward Island crab fishermen were the first to exploit and develop the snow crab fishery in Atlantic Canada. I urge the Minister of Fisheries and Oceans to deal fairly with this matter. That is all we expect and ask for fair and equal treatment. Five per cent of total catch based on landings of the past five years would meet the minimum requirements of P.E.I.'s crab fishermen.

* * *

JEWISH STUDENTS NETWORK

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, many members of Parliament received visits by the Jewish Students Network this week. These very concerned and thoughtful young people are getting us thinking about some very basic questions. Why is Soviet President Gorbachev opening the gates to freedom of expression and *glasnost* but not letting Jewish people out of Russia? Why is anti-Semitism growing in the Soviet Union? Why are so many Jewish refusnik cases still outstanding? In short, why is there developing a very ugly persecution of the Jewish people in the Soviet Union?

I want to commend the leadership of the Jewish Students Network on their initiative in creating freedom for millions of Soviet Jews. I also want to urge the Canadian government to continue to press Moscow to open any gates possible to the 30,000 exit visas for Soviet Jews which are still outstanding.

President Gorbachev, please tear down your own wall against the Jewish people.

* * *

[*Translation*]

NATIONAL SOIL CONSERVATION PROGRAM

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, agriculture is a key part of the Canadian economy. Farming and related industries provide one job in ten, and the agri-food sector must not be neglected, since it accounts for 10 per cent of the gross national product.

However, it is important to remember that agricultural productivity depends on the condition of the soil, and the week of April 9 to 15 again this year will be devoted to making Canadians aware of this resource that we must protect.

Mr. Speaker, the Conservative government has understood the critical importance of agriculture to us and therefore last year it instituted a three-year national soil conservation program.

* * *

[*English*]

FOREST AGREEMENTS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, according to the federal government's own figures, we are still not replanting every hectare of forest land we harvest. In 1987, the last year for which figures are available, there was a shortfall of 200,000 unplanted hectares. Despite this, this government has failed to renew forest agreements with Alberta, Saskatchewan, Manitoba and Ontario.

The current agreement with British Columbia expires on Saturday and the minister said he likely will not be able to sign a new one. He has even called the provinces' plans to clean up our backlog of harvested areas unreasonable. What is unreasonable is the complete failure of the Ministers of Forestry and the Environment to use effectively the programs currently available to regenerate and manage our forests.

The minister should sign those agreements today so that we can ensure that our forests are replanted and the necessary research is done to sustain our forests for the future.

* * *

TRIBUTE TO ISMAILI MUSLIMS

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, last Saturday, March 24, 1990, I had the distinct honour to join with many leaders of the Ismaili Muslim Community in a ground breaking ceremony in Markham for the Ismaili Torrent North Central Jamatkhana which will be built over this year.

The Ismaili Muslim leaders at this historic ceremony included Nizar Kanji, the Canadian president for His Highness Prince Aga Khan Council; Mohamad Manji, the Ontario president for His Highness Prince Aga Khan Council and His Excellency Tariq Altaf, consul general of Pakistan.

Also at this special ceremony was Barkat Ali, an Ismaili Muslim leader from Markham who first approached the mayor of Markham to obtain a piece of land for the construction of the Jamatkhana.

This special occasion marked yet another milestone in the establishment of strong institutions across Canada by the Ismaili Community and reflects their tolerance, generosity, industry and spirit of voluntarism for all Canadians.

This initiative also speaks of the Ismaili Muslim community's gratitude to His Highness Prince Aga Khan who has 20 million followers around the world.

* * *

AIR CONNECTIONS—NATIONAL CAPITAL REGION

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, a direct, non-stop air service between the national capital region and Chicago is vital if the economy of the capital region is to continue to diversify, reducing its dependence on federal government employment and contributing to Canada's competitiveness in the world economy.

The community of Ottawa—Hull is the fourth largest urban Canadian centre. It is not reasonable that the competitiveness of this region is hampered because business trips that could be accomplished in two and a half hours now take seven to eight hours. Business that could be done in a day now takes two days, resulting in extra costs and the loss of productivity.

It is inconceivable that international travellers are unable to access the capital of Canada conveniently, economically and efficiently.

I challenge the Government of Canada to do its part in agreeing to Ottawa—Hull as a co-terminus with Montreal on the Montreal—Chicago route.

* * *

NATIONAL DEFENCE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today in an attempt to educate the hon. Minister of National Defence.

I would like to read a passage from a recent mailing to the Minister's Saskatchewan constituency in which the Minister said: "Saskatchewan does not have any defence establishments."

This will come as quite a surprise to the 1,300 personnel at Canadian Forces Base Moose Jaw which, the last time I checked, was still in Saskatchewan, still one of the busiest airports in North America and still home of the internationally acclaimed Snowbirds.

This will also come as quite a shock to my constituents in the city of Moose Jaw who benefit from the $55 million that the base contributes annually to the local economy.

Given the experience of Summerside, P.E.I. and Portage la Prairie, Manitoba, the question must be asked: Was the minister simply exhibiting ignorance of his ministry and his home province of Saskatchewan, or was he committing the proverbial Freudian slip?

* * *

CANADA–U.S. FREE TRADE AGREEMENT

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I want to bring to the government's attention, a very serious situation for Canadian companies resulting from the Canada–U.S. Trade Agreement.

Some of you will know that under the Accelerated Elimination of Tariffs Agreement, products classified under Tariff No. 4201 will have tariffs removed on April 1.

One product group in this classification has successfully appealed, but others now have little time. They just found out recently that time was running out.

Unless action is taken now, companies such as Western Rawhide and Harness Manufacturing Company will have to lay-off their remaining production staff long before the expected date of 1995 or 1996. In fact, perhaps they will have to do it immediately.

The company will end up being a distributor of American made products. I call on the government to act now. This is but one example out of the many which are going to be affected in Canada.

[*Translation*]

The company is counting on the government. The employees and their families are counting on the government.

* * *

[*English*]

NATIONAL UNITY

Mr. Bob Horner (Mississauga West): Mr. Speaker, in the course of my reading the other day, I came across an editorial on the dual language debate, a part of which I would like to read into the record in this House:

> It behooves the people of this Canada of ours, French and English, to stand shoulder to shoulder, forgetting the differences of opinion which may exist between us and only remembering the great love we bear for our country, to push forward in the great work of building up a nationality in Canada which shall be able to challenge the applause and admiration of the world. Then the time will have come in the history of Canada when the proudest words a citizen of this country can utter will be, "I am a Canadian."

The interesting part of this editorial is that it was written on March 6, 1890.

It is repeated by me in March of 1990 and I want us to resolve that no one will be making statements like that in March of 2090. Let us, from this day forward, make our language duality a source of unity and not divisiveness in this country.

Some hon. members: Hear, hear!

* * *

• (1410)

NATIONAL UNITY

Mr. Stan Wilbee (Delta): Mr. Speaker, I appreciate the previous statement.

Yesterday I received two letters from constituents in Delta, and I would like to quote briefly from them.

The first, one said: "Let me say I hope Quebec stays with us. They are a great people". The writer then goes on to tell of his very positive experience in World War II with his Quebec compatriots.

The second letter says: "With regard to the present turmoil surrounding the Meech Lake Accord, I would like to see more feeling put into making our Canadian French feel more at home in this country". Then the

writer goes on to give some practical ways in which this might be done.

This is a very critical time in Canada's history, as these Delta residents have shown. It is a time for understanding, patience, goodwill and effective dialogue. Canada without Quebec is unthinkable. It is time for all Canadians, east and west, north and south, to preserve this magnificent country that has such a vital role to play in the future of our whole planet, let alone ourselves and our children.

* * *

THE ENVIRONMENT

Mr. Rex Crawford (Kent): Mr. Speaker, the just released discussion paper for the Environmental Action Plan shows that this government has let Canadians down with its lack of concrete action to tackle environmental problems.

But this Green Plan serves only to buy the government time, while the Minister of the Environment struggles to convince his Cabinet colleagues of the necessity and the virtue of strong programs. Meanwhile, over 900 chemicals in the Great Lakes still have no federal standards. We are the world's largest producer of garbage, the greatest consumer of energy, one of the leading emitters of carbon dioxide, and the Tories fumble with a Federal Court order on the Oldman River Dam.

This Green Plan is just the latest example of Tory policy: All talk, no action. Canadians want concrete action taken on the environment, with measurable goals in a specific time frame with national standards.

* * *

HERITAGE LANGUAGE PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, by cutting $4.1 million from heritage language programs, the government is turning its back on multiculturalism. Many of the 1,500 classes across Canada will be forced to close.

Heritage language classes cost very little, but their cultural and economic value is great. They promote cultural identity and family unity. While the Minister for International Trade spends $14 million on Pacific Rim languages, children are denied language classes.

Leaders of major ethnic groups in Ottawa today demand continued funding. The government must listen to one-third of Canadians whose origin is neither French nor English, who demand their rights as taxpayers to funding for their children to learn their mother tongue.

CEC says cuts are bad for Canadian culture, bad for education, bad for international trade and bad for national unity.

I call on the Minister of State for Multiculturalism and Citizenship to fulfil his multicultural responsibility by reinstating full funding for heritage languages immediately.

* * *

STATUS OF WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, the women occupying the Secretary of State offices in St. John's, Newfoundland have now spent four frustrating days calling for the reinstatement of funding to the women's program.

Last night, the Secretary of State graciously allowed some of his senior officials to meet with the protesters. Unfortunately, the only message they were allowed to bring was that they had no authority to reinstate the $1.6 million cut from last month's budget.

Even the senior Newfoundland cabinet minister himself, the Minister for International Trade, pointed out to the Secretary of State that the main issue is not money, but a drastic change in Secretary of State policy. Is this change in policy an attempt to stifle the voice of Canadian women?

Two ministers have now made representation to the Secretary of State to restore these funds. Does Cabinet speak with one voice, or with a forked tongue? Canadian women and men demand that the Secretary of State reinstate funding immediately. At the very least, he must meet with the St. John's Status of Women group, face to face and stop sending powerless bureaucrats.

* * *

LITHUANIA

Mr. John Reimer (Kitchener): Mr. Speaker, I would like to commend and encourage the people of Lithuania.

We must never forget the recent history when, from 1939 to 1941, they were forcibly annexed to the Soviet Union. Recently, however, we have witnessed the rebirth of this small country.

I am sure all members of this House would want to say: "We are one with you in your historic struggle for democracy and your right of self-determination. We encourage you and we admire your bravery".

I urge the Government of Canada to do all that it can responsibly do to assist Lithuania in its courageous march toward freedom through words of encouragement, offers of goodwill and through government action to facilitate technical assistance from our business community to theirs, and by advice where requested of our financial officials as Lithuanians seek to restructure themselves toward a free economy and a truly democratic society.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of the Environment I have a question for the Prime Minister. In the Throne Speech last April, 1989, the government promised a new environmental agenda. Instead, after a year of waiting, today the government brought forward nothing more than: "a framework for discussion on the environment". What a let-down. Just another discussion paper.

I ask the government why it has not presented today a concrete plan of action with specific measures and a timetable to implement them? Why has the Canadian government let down the Canadian people so badly today when they have been calling for real action on the environment? Where is that action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend, the Leader of the Opposition, should, I would have thought, have been reacting more positively to the announcement today by the Minister of the Environment. It represents with the issuance of the consultation plan a very major step forward for Canada. It invites consultation from industry, from the provinces and from interested parties across the country to devise a program that is consistent with the priority we attach to the environment and economic development in the country as well.

In my own consultations with people across the country, it was requested very specifically that at this particular juncture there be intensive consultation with people across the nation, particlarly provinces, industry, trade unions and such.

So while the minister gave the outlines of what I believe will be major advances in the protection of the environment, he is actively inviting the participation of provinces and other interested parties. I do not know why that would offend my hon. friend because it is perfectly consistent with co-operative federalism.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Canadian people are calling for action on the environment. If this document has any meaning, why is it filled with weasel words like: "the government will consider, move toward, option, possibility"?

Why, after being in office for five years and having a chance to take concrete action, has it done nothing more than bring forward what itself calls a framework for discussion in which almost nowhere in it is there any pledge of concrete government action? Why is it that the document is filled instead of with pledges of action with nothing more than a series of wishy-washy questions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if at this moment the document had been filled with announcements that we are going to do such and such a thing tomorrow, then my hon. friend would have been criticizing the government for not consulting in advance with the provinces and with industry. So with the—

Mr. Gauthier: You had five years.

Mr. Mulroney: Well, my hon. friend says five years. In that period of time Prime Minister Brundtland, chairman of the Brundtland Commission for the United Nations indicated publicly that Canada had assumed leadership in the world in protection of the environment, and Foreign Minister Shevardnadze said in Moscow in December that Canada was the first nation to place the environment on the international agenda and that the country deserved congratulations for its leadership.

The Minister of the Environment today deserves the congratulations of this House for what he is doing in Montreal.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Brundtland report came out three years ago. I am sure that Madam Brundtland would not have anything too good to say about this government today.

An example of the kinds of empty questions in this discussion paper is the one in which the government asks whether it should emphasize compliance for enforcement of environmental laws. Does that question have to be asked? Why does the government have any doubt as to whether it should enforce its own environmental laws on something so important as the future existence of this planet?

[*Translation*]

Mr. Speaker, why does this document just raise questions about the environment, when the Canadian people think that the government should rather give answers and do more to implement them? Why this lack of action on the environment?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that Madam Brundtland would not have anything nice to say about the government now. Last week, in Vancouver, she said that the Government of Canada was providing genuine world leadership on the environment.

Some hon. members: Hear, hear!

Mr. Gauthier: She was defeated, also.

Mr. Mulroney: Now the House leader of the Liberal Party says no wonder Mrs. Brundtland was defeated. What an awful thing to say about one of the finest people serving in world politics. What a disgraceful thing to say about one of the leading environmentalists in the world. Why can't you accept the fact that Mrs. Brundtland thinks the government and the people of Canada are assuming dignified world leadership on the environment and be proud of it?

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, one can understand the desperate efforts by the Prime Minister to climb up from his 17 per cent level in the public opinion polls.

My question is directed to the Minister of the Environment, and in his absence, we will be very grateful to whoever wishes to deal with it. In the same report, published today by the Minister of the Environment, there is a promise to introduce a bill on environmental assessment soon which is, by the way, a promise made by the Progressive Conservative Party in 1984.

Can the minister assure Canadians that such legislation will not be weaker than the regulations passed by the Liberal government in 1984 and reinforced by three separate court decisions since?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, it would hardly be possible to produce anything that would be much weaker than what the previous government had produced.

Of course, there is going to be legislation and, of course, there is going to be an environmental action plan, but the action that needs to be taken will affect every Canadian and it will affect the lifestyles of most Canadians.

Therefore, it is critically important that everybody gets drawn into the debate before this kind of critical action is taken. What the minister has done today is announce the four-point action plan that will permit us to consult throughout the country until fall. It is clearly laid out what the results of this exercise are going to be. Of course, we hope that the opposition will engage itself as well with other Canadians in developing just the right kind of legislation.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary is for the Minister of Transport and it flows from a statement in the same report in which belief is expressed in the government supporting and enforcing existing laws.

In light of the fact that two weeks and more have gone by since his approval has been struck down by the Federal Court on the Oldman Dam, will the Minister of Transport indicate when he will enforce the law that he has, do the job that he is expected to do by Canadians, in stopping the construction of the dam on the Oldman River?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, naturally that was a very important legal decision.

There are implications as to safety and the government is considering the action that should be taken. As soon as we have reached a decision we will announce it.

* * *

[*Translation*]

THE ENVIRONMENT

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Prime Minister. For more than a year, the government has been talking about the environment and has made all kinds of promises. Last year, a five-year plan was mentioned including specific objectives, an agenda, and promises of funding. Today, what we get is just another working paper with a lot of old ideas. My question is this: Where is the political will that is needed to get things moving on environmental issues?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, to answer my honorable friend, quite a bit has been achieved in this area. I am thinking of international agreements concluded by this government. For instance, we were the first country at the Vienna Convention to ratify an agreement on protecting the ozone layer, and we concluded an agreement with the Soviet Union on November 1989. There have been federal-provincial agreements, the environmental protection legislation passed in June 1988, and in 1989 the regulations to eliminate lead in gasoline.

[*English*]

Water quality initiatives: strengthening and a revision of the Canada-U.S. Great Lakes Water Quality Act in November, 1987, in June 1988, the provision of a five-year, $110 million federal program to clean up and protect the St. Lawrence River. An announcement of a $125 million Great Lakes action plan. Sulphur dioxide emissions under acid rain already reduced by 40 per cent in Canada. Technology development and pollution abatement initiatives.

I think probably this characterizes it best of all. Since 1984, apart from all of the other areas, six new national parks have been announced in Canada, including South Moresby. We are very much committed to sustainable development and the protection of the environment, and our record clearly illustrates that.

Ms. Audrey McLaughlin (Yukon): A supplementary, Mr. Speaker. I would remind this House as well that the record also indicates that the Prime Minister and his government voted against completing the national parks system by the year 2000 as was proposed in this House.

In today's watered down frame work for a discussion paper, the government says: "We cannot afford the costly react and cure approach to dealing with environmental problems, nor can we any longer afford to ignore environmental considerations in properly assessing our economic performance."

The government promised a Canadian environmental assessment act during the last election and in the Throne Speech. First it was going to be tabled last summer, then it was going to be last fall. Now it is spring and there is no environmental assessment act. As a result of the government's inaction, projects like the Oldman Dam and Rafferty-Alameda are being decided by the courts rather than by the environmental policies set by this government.

Will the government commit today to the tabling of a strong Canada environment assessment act?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because of the high priority given to the EARP reform, the government plans to table legislation later this spring rather than waiting until the release of the Green Plan in the fall, and I think that will be welcome news to my hon. friend.

• (1430)

Given my hon. friend's interest in the environment, I am somewhat disappointed that in her blanket criticism she tends to completely dismiss and neglect things, such as the signing in 1984 of five year forestry agreements with over $1 billion in committed funds, making this the largest environmental rehabilitation program in Canadian history; the beginning of a clean-up program for the Sydney tar ponds chemical dump site, which will cost $34 million over the first five years; the signature in 1988 of an agreement to clean up Halifax harbour at a cost of $196 million; a $4.5 million program to clean up the Hamilton Harbour Windermere Basin; and the Fraser River Estuary Management Program.

Mr. Speaker, only time prevents me from reading a much more extensive list which I thought my hon. friend would applaud.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, in the government's own framework for discussion on the environment, which is not a plan and which does not contain any concrete ideas or financial commitments, the government itself outlined some of the serious problems that are currently devastating the environment in Canada.

We are the heaviest users of energy on a per capita basis. Canadians are the world's fourth-largest producers of carbon dioxide on a per capita basis. I repeat that the government itself says: "We cannot afford the costly react and cure approach".

What Canadians want to see is a real plan with real teeth and a real timetable. I ask the Prime Minister again to give us that timetable. A year of discussion and then some action in the future is not a timetable. The environment is a concern. I ask the Prime Minister to commit to Canadians a real agenda for action. That is leadership.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am happy to commit to my hon. friend that, indeed, following consultation with the provinces there will be a real environmental agenda for action. I expect that in turn my hon. friend will commit to the full the unreserved and unalloyed support of the New Democratic Party for that program when it is introduced into the House of Commons.

* * *

THE ECONOMY

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

Today, the Canadian bank rate rose more than 13 basis points to 13.51 per cent. That is the highest level since the Prime Minister and his government were sworn in in September of 1984.

The spread between Canadian and U.S. rates remains above 5 per cent, which is far higher than the historical average of 2 per cent.

The Prime Minister himself predicted within a few days of the February 20 budget that interest rates would go down. That was the Prime Minister's prediction. In fact, interest rates have continued alarmingly to go up.

My question for the Prime Minister is simple. Why?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the very simple answer is that we want to avoid the problems of 1980 and 1982, when we saw interest rates under the government that he supported at 20 per cent to 25 per cent. That was a lesson—a very, very tough one—for everybody across this country. It is a lesson from which we must learn. It is a lesson that we do not want to see repeated.

It means that we must get inflation under control. That requires us to continue doing the things that we are doing, whether it is through monetary policy or through budgetary policy, to ensure that we get the level of inflation under control and not sweep it under the carpet as his government did. We must face it head on. That is the way we will get lower interest rates. That is the way we will get lower interest rates on a much more permanent basis. That is the way we are going to have a healthier economy in Canada.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, we on this side of the House want the Prime Minister to come out from underneath the carpet and answer the question.

When the February 20 budget was brought down, which budget included dramatic cuts to fundamental programs like health care and education, as well as a transfer of the federal debt on to the backs of the provinces, we were told that this pain was worth bearing because, in the words of the Prime Minister, interest rates would come down shortly. Interest rates are at their highest level since this party came to power in September of 1984, and are at the highest levels since the recession of 1982.

Given that the interest rate policy is not working and given that the Prime Minister's prediction has been shown to be false, is the Prime Minister now considering withdrawing those cuts in health and education spending across Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member should ask himself what caused the recession of 1981-82. The high interest rates were caused by the high inflation of the government that he supported at that time. That is precisely why we are doing this.

What is absolutely and totally puzzling about the hon. member's question is that he says what we want to do now is increase government spending, so that we can increase inflation, and so that we can increase interest rates. He has absolutely no idea what he is talking about

when he suggests what we should be doing with monetary policy in this country.

* * *

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries.

Yesterday, National Sea Products pulled the plug on the Canso fish plant four days early. Even John Buchanan expected a rescue plan after the minister's flying visit and fine words in February.

Now that the Canso fish plant is closed where is the rescue plan?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member is talking about rescue. I went down there. I put my hands over the water and the fish did not show up.

Some hon. members: Oh, oh!

Mr. Valcourt: Liberals want Atlantic Canadians to believe that we can put fish back in the water. If the Liberal member can teach me how to put fish back in the water, then please tell me how.

Some hon. members: Hear, hear!

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, that just goes to show you the seriousness with which this minister takes the problem of the crisis in the Atlantic fishery. Rather than give us concrete answers, he continues to play hide and seek with the lives of the fish plant workers in Atlantic Canada.

When is he going to end this uncertainty? When will he tell the people of Canso what plans the government has to secure their future?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, he claims that I am toying with the issue in Atlantic Canada. The question—

Some hon. members: Oh, oh!

[*Translation*]

Mr. Valcourt: I wish they would shut up!

[*English*]

Mr. Gauthier: You're a joker.

Mr. Valcourt: I am sorry, Mr. Speaker.

The members are treating the problems in the Atlantic fishery as if it were something that we could solve overnight and that politicians can solve just like this. It is not as easy as that.

In the last three weeks I have been talking to people in the industry. I have been talking to people in the provincial governments in Atlantic Canada. We are working on a plan.

I will not lie to the people of Canso and tell them that I have a solution that will bring everyone into the plant, but I can tell them something. We are working on it.

Some hon. members: Hear, hear!

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I have a question for the Prime Minister, on behalf of the people of Chambly and Saint-Basile-le-Grand. How can he endorse the Environment Minister's green plan, knowing that on his two visits to my riding, he promised the people of Chambly and Saint-Basile-le-Grand that he would take immediate action to protect the environment? What is his answer to the people of Quebec, who say that this government is all talk and no action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, considering the importance of the environment in Quebec and across this country, I am astonished at the hon. member's rather negative reaction to the release of this extremely important and fundamental document, a document that is indispensable for intensive consultation with the government of Quebec if we are to develop joint policies that will provide beneficial solutions, for the riding of Chambly as well as for British Columbia and for the whole country. Imagine my astonishment when I hear an hon. member complaining when a vitally important document is tabled recommending consultation with the public. We intend to use the results of this consultation to take what I believe will be historic action to protect the environment in this country.

• (1440)

Mr. Phillip Edmonston (Chambly): Mr. Speaker, when the Prime Minister went along Highway 116 in my riding, he might have seen the PCBs that are still stored at Saint-Basile-le-Grand. He might have seen the Richelieu River which is still polluted. During the past two election campaigns they promised to take action to protect the environment but nothing was done.

Mr. Speaker, my question to the Prime Minister is this: Will his government act today to levy a green tax and settle the issue of PCB storage, and will it do something about the issue of drinking water and the use of pesticides? Those are issues that concern my riding.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member raises some very important issues that concern his riding, but I may remind him that the answer to his question should not come from the Parliament of Canada but from the Quebec National Assembly.

Some hon. members: Really?

Mr. Mulroney: That is where the hon. member should get his answer.

An hon. member: Not true!

Mr. Mulroney: Regarding the hon. member's question, I already gave his leader an impressive list of what the Parliament of Canada has done to protect the environment since 1984. The document tabled today is an invitation to the provinces, unions, industry and the Parliament of Canada to co-operate and consult, with a view to promoting protection of the environment. Normally, the hon. member would be on his feet to applaud such a noble cause!

* * *

[*English*]

COMMUNICATIONS

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, my question is for the Secretary of State.

As the minister knows, there has been considerable concern expressed nationally about funding cuts to native communications programs. Can the Secretary of State confirm that additional funds will be provided to essential native communications societies?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, cuts to any program are very difficult. I have had an opportunity over the last year or two to come to know even better how effective a job all of these societies are doing for the community.

We established a task force that is well in place which is reviewing all of the options that may be available to help these societies continue their growth and maturity.

I want to indicate that I am particularly pleased that the minister for the Northwest Territories, Titus Allooloo, came to visit me. He brought forward an idea in which his government will be participating with us. I have agreed to the suggestion for the partnership.

I am encouraging other governments to get involved in partnerships to also work with native communications.

I might say that the minister had these words to say yesterday: "The Secretary of State can be credited with being responsive to the needs expressed by the people of the Northwest Territories and for seeking avenues to accommodate the legitimate needs that have been expressed".

* * *

[*Translation*]

CANADA POST CORPORATION

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, my question is directed to the minister responsible for the Canada Post Corporation. There is no smoke without a fire. In all likelihood, the Outaouais area will be severely affected by Canada Post's decision to close three mail sorting centres in Hull, Aylmer and Gatineau. Can the minister confirm these closures which would transfer services to Ottawa, thus resulting in the loss or transfer of about 100 employees?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in keeping with admonitions from this House when the Crown corporation Canada Post was created, and with the views of the hon. member's party as they were articulated, for example, by the member for Papineau, it

is our policy not to interfere with the management of the Post Office as it seeks to achieve efficiencies on behalf of its customers and taxpayers.

However, I will make the hon. member's representation to management so that they might bear it in mind as they balance the interests of Canadian taxpayers, users of the Post Office and, of course, their employees.

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, following the closing of Northern Telecom, the closing of Boiseries de L'Outaouais, the popular Transport Canada file and, more recently, the cuts at the NCC, can the minister assure me on behalf of the people I represent that he will take into consideration all these unfair actions before making any decision relative to Canada Post?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, over the last five years, but in particular over the last year, 250,000 new jobs have been created in Canada as a result of the policies of this government. These policies have stressed deregulation and the fact that we expect industry to operate in the most efficient manner possible, including Crown corporations such as Canada Post. All of these activities have resulted in an economy that surprises people by its buoyancy. From that comes jobs.

Every year in Canada three to four million people change jobs. The hon. member is concerned, and rightfully so, about the jobs in his constituency, as is this government. I can assure him that if the policies of this government are allowed to be implemented by a co-operative House of Commons and Senate, then those jobs will be created.

* * *

MULTICULTURALISM

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, the Canadian Coalition on Multiculturalism representing seven million Canadians has come to Ottawa to insist that the government reinstate heritage language funding for 150,000 children and pretty close to 6,000 teachers.

The Prime Minister and most senior ministers have refused to meet this group. That shows the absolute lack of commitment to our cultural communities by this Tory government.

When is the Prime Minister going to insist on the reinstatement of heritage language funding?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the Prime Minister has frequently met with members of the cultural communities. Indeed, on his recent trip to Toronto he had another opportunity to be with the members of the communities.

I had the opportunity to meet with the coalition today at lunch. I am also advised that the Minister of Employment and Immigration met with the group today.

Some hon. members: Oh, oh!

Mr. Weiner: We are partners as far as we are concerned. We are very heavily involved in helping promote their view of a multicultural society. We have a very vigorous program.

As I said previously, that member should be embarrassed even asking the question, considering how little her government ever did for multiculturalism in this country.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I am in no way embarrassed, because I do not put up a $6 million facade and cut a $4 million program.

[*Translation*]

Could the Minister explain to Canadians what the point is of founding a heritage language institute when the schools will be closed? There won't be any teachers. Who is going to use this centre? Isn't this just one more example of the Tories' lack of commitment to our cultural communities?

[*English*]

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the commitment of this government is very firm. We have been giving expression to that commitment with a structural and a legislative base, as well as with a Canadian multiculturalism act. A new department of multiculturalism and citizenship is in the process of being formed. There is a Canadian Heritage Languages Institute with headquarters in Edmonton, as well as a race relations foundation being established. These are

important instruments which cannot be altered in the future on a whim.

• (1450)

I might add that we have had budgetary cuts. They are very difficult because I realize how important the activities of these communities are.

We should not trivialize their activities because they are mainstream now. It is important for all of us to recognize that the whole of society should be participating in their growth and development.

This year multiculturalism will have the same amount of funding it had last year, in addition to the $24 million for the endowment for race relations. The areas of heritage cultures and languages are very important. Six million dollars will be allocated to those areas. There will be more money for community support, race relations and cross-cultural understanding.

Some hon. members: Hear, hear!

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THE ECONOMY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Prime Minister.

He will be aware of the very sad, disappointing and serious news that we received at two o'clock that, once again, the bank rate has increased to its highest levels since those devastating days back in 1982.

The Prime Minister will know that the prime rate is now coming perilously close to the psychological 15 per cent level beyond which the confidence in the Government of Canada's monetary policy will completely collapse.

How long do Canadians have to wait, as interest rates creep up week after week, before the government plans to act?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to tell the hon. gentleman that we are committed to bringing interest rates down, but we want to bring them down in a way that will ensure they will stay down.

Even though people talk about a recession, our economy still has tremendous pressures underneath it which are causing the dollar and interest rates to go up. We are hopeful that with our fiscal policy, together with our monetary policy we will soon come to terms with that problem. We are tackling it in the only good way that there is today.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the hon. minister talks about upward pressure in terms of inflation. I want to ask the Prime Minister the following question.

The Governor of the Bank of Canada has been asking Canadians to tighten their belts. He will know that a number of his own back-benchers have been asking the government why on earth it would give the Governor of the Bank of Canada annual increases which exceed what most Canadians make on an annual basis—now up to the $200,000 plus level.

Does the Prime Minister support giving raises to the Governor of the Bank of Canada between 12 per cent and 20 per cent on an annual basis? Is this the kind of signal he wants to send to the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot believe a comment like that from a gentleman with whom I shared prayers at Prayer Breakfast this morning.

Some hon. members: Oh, oh!

Mr. Mulroney: My understanding is that for an extended period of time, because of the personal reasons of the previous occupant of the position, there had been a disinclination to accept standard increases. As a result, when this matter was reviewed by the Burns Commission on Executive Compensation and by other advisors, it was pointed out that there was a very considerable disparity between the range of salaries of the Governor of the Bank of Canada and comparable office holders, both in the private and public sectors.

In fairness, I point out to my hon. friend that whatever numbers he comes up with—and I do not have them in front of me—there was a substantial amount of catch-up, inasmuch as that particular range had been frozen for an extended period of time, quite unfairly to the office holder as it turned out, and quite unfairly in comparison with other comparable jobs in the public sector.

INCOME TAX

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Minister of National Revenue.

Given the fact that recent media articles and reports have indicated that our tax system is getting more complex and that in fact increasing numbers of Canadians are now relying on professional tax preparers, despite the claims of tax reform, could the minister explain why Canadians are apparently finding it more difficult to file income tax returns?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, indications thus far suggest the exact opposite. In fact, as of this week we have already processed some 2.3 million returns as compared to 1.1 million returns last year. This suggests that Canadians are finding the system simpler to comply with and the administration of the department more efficient.

As I pointed out last week to the critic from the New Democratic Party, there has been no substantial increases in outside tax preparers. Preliminary estimates at this stage indicate that no increase for this year is taking place.

The bottom line to me is quite evident. Tax reform is working. It is fairer. It is simpler. It benefits all Canadians.

* * *

GOODS AND SERVICES TAX

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, when the Prime Minister answered the previous question he reminded me of the divine teaching that states when nothing else works call upon the help of the Lord.

Mr. Speaker, my question was for the Minister of Finance but I see that he has left. I will direct my question to the Prime Minister.

Business has called the GST a nightmare. Consumers call it a travesty, a travesty because it taxes homes and utilities. It taxes natural gas, fuel oil and electricity. It will add $60 of cost to a household in Windsor; $84 to a household in Sudbury; and $102 to a household in Regina.

Does the Prime Minister recognize that home heat is a necessity? Does he recognize that home utilities are not a luxury? Will the Prime Minister withdraw this regressive tax—

Mr. Speaker: The hon. member has put several questions.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I am tempted to ask the hon. member to go back to the technical papers. Again he is presenting a picture which has nothing to do with the tax reform we are introducing.

He fails to understand that together with the reform comes a credit system which will ensure that lower-income people are fully protected from the impact of our taxes.

He fails to understand that the present inputs paid by various companies which provide the services he was referring to will be able to deduct the present tax which is a silent killer of jobs.

When he goes around telling Canadians about his conception of a disaster he should make the effort to inform them honestly.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question was just to inform them of the reality in the taxation system.

My supplementary question is directed to the same minister. Yesterday in the House the minister said: "John Bulloch agrees that we should be moving away from the existing sales tax". In fact, what Mr. Bulloch said yesterday was that the GST chaos will disadvantage small independent retailers, calling it an impossible situation and stating that business will be absolutely furious and frustrated.

Will the minister agree with the 400,000 members of the Canadian Federation of Independent Business that the GST is a nightmare, not workable, places small retailers at a disadvantage and should be withdrawn?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, if the hon. gentleman reads John Bulloch he should read him throughout. He will find out that Mr. Bulloch agrees with the tax.

What he does not agree with is the fact that we have not been able to provide a national sales tax, not because we failed to try, we are still working on that.

He talks about 11 different rates in Canada. Canadians do not live at once in 10 different provinces. They may have to tackle two rates.

Underlying these remarks is a feeling that our small business community is unable to adapt to reform. I come from a small business family. I can tell you that they can very well adapt to these kinds of reforms.

Mr. Speaker: The hon. member for York Centre, a single question.

* * *

• (1500)

WAR CRIMINALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice.

Yesterday I asked the minister about Canadian efforts to see justice done in the case of SS Officer Wilhelm Mohnke who lives in West Germany and who according to available eye witnesses murdered dozens of Canadian POWs after Normandy.

The minister said that there was an ongoing investigation in her department and that Canada had been in touch with West Germany. It now appears that West Germany closed its file on this matter in 1976 and that Canada has never asked that the file be reopened.

I want to ask the minister what she was talking about yesterday. Is she prepared to make representations needed to the West German government to take Canada's grievance seriously?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, perhaps the hon. member would know better than I what occurred between 1976 and 1984 on this file, because I believe he had some responsibility for it.

I will simply repeat what I said yesterday in the House, which is that there is an ongoing investigation in Canada and appropriate efforts are being made to bring the results of that investigation to the West German authorities.

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to put the usual Thursday afternoon question to the Leader of the Government in the House of Commons and ask him about his plans for the business of the House. Second, I have a very important question I would like the government to answer, and I see the Prime Minister is in the House. I would be grateful for his attention.

Mr. Speaker, my question is directed to the Leader of the Government in the House of Commons, but it also concerns the Prime Minister. We have not had a deputy speaker of the House for nearly a month and I would like to ask the government what it intends to do about filling this position and what the procedure will be. Will there be an election at large, as is the case for the Speaker or are there other procedures? Why the delay? Why don't we have a deputy speaker?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, tomorrow will be an opposition day. Monday will be the last day of debate on second reading of Bill C-65, the borrowing authority bill. Tuesday we start the report stage of Bill C-62, the GST bill. As for the rest of the week, we shall see.

[*English*]

In terms of the question respecting the Deputy Speaker, it will be happening very soon and it will be done in the way prescribed in the McGrath commission report. As we know, the recommendation was that the position of Speaker be elected and the other positions be appointed in the traditional manner. That will happen and happen very soon.

Mr. Gauthier: Mr. Speaker, the Standing Orders also say "forthwith". That means immediately. We have been very patient with the government. They know that, and I think they will recognize that we have accepted once in the absence of Mr. Speaker that the replacement for the Speaker not be the Deputy Speaker. That was a concession the opposition made.

We will not continue to wait until the government makes up its mind as to how we are going to cope with

that problem. It may be a difficult solution to a difficult problem. Why is the government not giving us a solution to the problem? Just put someone up for election and then we will proceed as we usually do.

Mr. Andre: Mr. Speaker, that will happen forthwith. I am not sure why the hon. member is so exercised. If someone should be exercised perhaps the present occupants of the chair should be, bearing in mind their numbers, and we appreciate that.

The House leader of the Liberal Party will recognize that there is no Machiavellian scheme afoot to try to make life miserable for the opposition or any other such thing. There is in fact a busy schedule and very soon the concerns of the hon. member will be met.

Mr. Speaker: Perhaps I could say to the hon. House leader that the sooner the better.

Hon. Bob Kaplan (York Centre): Mr. Speaker, on the subject of House business, I should also like to ask the government House leader about Bill C-61, an amendment to the Divorce Act, which was of great interest to the former Minister of Justice and is of great interest to me as well.

The legislation has now been through committee and it has been reported. I wonder if the minister might be prepared to call it at an early date.

Mr. Andre: Indeed I have a considerable list of important legislation including that, which I am most anxious to get before the House and completed and in place. I hope he will make representations to his colleagues, the House leader and the deputy House leader of the Liberal Party, as well as the New Democrats, so we might reach some agreement between us on how to proceed in an expeditious and effective fashion.

Mr. Gauthier: I just heard the Minister of Transport saying: "I thought you were the House leader for the Liberals". I am, Mr. Speaker. I want to remind the former House leader that in those days at least we knew where we were going. Now we do not.

We were told this week that Bill C-26 would be called on Friday. Now we learn at 3.05 p.m. that it is not going to be Bill C-26; it is going to be an opposition day. We cannot operate this House in that manner. Either this House leader gets his act together and tells us what the agenda is for the next week, or he tells us every day what the business of the House will be the next day. That way we might at least have some knowledge of what we are going to be looking at. I find it difficult to have a negotiating period on Tuesdays and have it changed on Thursdays.

Mr. Andre: Mr. Speaker, I have a great deal of sympathy for that. I realize that when people make plans for Fridays, as we did last week, and have those changed at the last minute—

Mr. Gauthier: That was not my fault; that was your own doing.

Mr. Andre: The hon. member is correct in saying that it was not his fault. This is not some sort of get even situation. It is simply a case of being unable to get assurances that in fact we would be able to proceed expeditiously with that bill. Had we had those assurances, we could do it, but without those assurances we are in a situation of again having to ask people to break their plans, to cancel engagements, to come back and so on to be here in order not to be bush-whacked, as it were, by dilatory motions and so on.

I regret that we have to do it that way. I again say that it is not my preference. I would much rather we sat down and negotiated a situation, and people kept to their word. We have not been able to reach that stage. I am willing to continue to try and I think the hon. member is. Between the two of us, maybe we can convince the third party to co-operate, and we could all serve our country a lot more effectively.

* * *

PRIVILEGE

REMOVAL OF AT AND EAST PROGRAM—SPEAKER'S RULING

Mr. Speaker: On February 12, 1990, the hon. member for Moose Jaw—Lake Centre rose claiming that a contempt of Parliament may have been committed. The hon. member explained that in its budget of April 27, 1989 the government announced the elimination of the "at and east" grain and flour subsidy program, effective July 15, 1989.

The cancellation of this program took place prior to the adoption of any legislation by Parliament, which would have repealed Section 281 of the Railway Act, the statute which first established this program.

This action, the hon. member contends, is a contempt of Parliament and impedes the House from giving proper consideration to the bill presently before it at second

reading, since the proposed objective of the bill is already a *fait accompli*.

[*Translation*]

The next day, the Chair heard further argument on this point and wishes to thank the hon. members for Kingston and the Islands, Regina—Lumsden and Peace River who made perceptive and eloquent interventions. The Chair reserved on the matter and stated it would come back at a later date to render its decision. The Chair is now prepared to deliver that decision.

[*English*]

Basically the issue which the Chair must decide is whether or not the government has committed a contempt of Parliament by eliminating the "at and east" program, prior to the adoption of Bill C-26, an act to amend the Railway Act (grain and flour subsidies). The proposed legislation seeks to amend section 281 of the Railway Act, which would allow the railways to charge commercial rates, effective July 16, 1989.

The removal of the "at and east" program was part of the budget measures announced by the government on April 27, 1989. As all hon. members realize, budgets do not deal only with the raising of revenues. They also enunciate the fiscal, economic and even social policies of the government. The hon. member for Moose Jaw—Lake Centre did make a distinction between retroactive tax legislation emanating from a budget and legislation proposing to end a specific program.

• (1510)

With regard to the "at and east" program, the general practices of the House relating to budgets appear to have been applied. An announcement was included in the budget statement, the government made it effective shortly thereafter, and enabling legislation, namely Bill C-26, was introduced. Bill C-26 was read a first time on June 16, 1989 and has been debated at second reading on February 12 and on February 20, 1990.

The essence of the matter raised by the hon. member for Moose Jaw—Lake Centre is that the government announced May 4, 1989: "That the 'at and east' program would be eliminated effective July 15, 1989," and that today, some eight months later, Parliament has not yet passed the legislation to this effect.

[*Translation*]

In his presentation, the hon. member for Kingston and the Islands recalled at some length similar interventions made in 1971 by then-members of the opposition who were vigorously protesting the withholding of wheat payments in anticipation of the repeal of the Temporary Reserves Act which provided for such payments. The hon. member for Regina—Lumsden reminded the House of the eventual legal outcome of that 1971 situation in the Federal Court of Canada.

[*English*]

The Chair has been struck by the parallels between the 1971 wheat payment controversy and the situation before us relating to the "at and east" program. Indeed Speaker Lamoureux's decision is as illuminating today as it was then, for then as now the issue of whether the government is in violation of the law is not a question for the Chair to decide.

As Speaker Lamoureux explained on September 13, 1971, at page 7740 of *Hansard*:

> Whether the government has an obligation under the terms of the existing law to make certain payments is not a question for the Chair to decide.
>
> The crux of the whole matter, as I understand it, is that the government is withholding payments authorized by an existing statute until a new statute has been adopted. Either what the government is doing is or is not contemplated, or anticipated, or authorized by the existing statute. Its action may well be subject to censure, but that would be a decision for the House to take.
>
> Whether it is in order to use this method to induce the adoption of alternative government legislation can again be the subject of debate, but I suggest that this should not be done within the framework of the debate on a question of privilege.

In assessing the case before us today, the Chair must be solely concerned with the issue of whether or not the action of the government constitutes a contempt of Parliament by impeding the House from properly considering Bill C-26. A careful review of the situation leads me to conclude that the termination of the program was an administrative decision made by the executive.

The legality of such a decision is another question, but the decision of the government as such does not in any way impede the House from considering Bill C-26.

[*Translation*]

Nevertheless, that is not to say that this is a simple matter. The hon. member for Moose Jaw—Lake Centre has raised an issue of continuing concern: namely the implications of the practice whereby an initiative is implemented or a program terminated prior to the passage by Parliament of enabling legislation.

[*English*]

There can be little doubt that in having recourse to this approach a government must be ever mindful that Parliament makes the ultimate decision on the legislation before it. I have noted in the correspondence provided to me by the hon. member for Moose Jaw—Lake Centre that the Ministry of Transport has been careful to advise the railway companies of the consequences if Parliament chooses not to approve this legislation and stresses the fact that it is still before the House.

The Chair agrees with the ruling of Speaker Lamoureux in 1971 and therefore finds that this case does not fall within the ambit of privilege or contempt. The hon. member may well have a founded grievance in law, which he may wish to pursue in another place.

I commend the hon. member for Moose Jaw—Lake Centre for drawing this important issue to the attention of the Chair and of the House. I also want to compliment him on the succinct and careful argument that he presented. I thank all other hon. members who participated in the decision for their contributions.

* * *

POINT OF ORDER

CONSTITUTION AMENDMENTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, earlier this week the House agreed to strike a committee to look into the proposals by Premier McKenna. Time is very critical. I wonder if I could ask the government House leader whether the committee looking into Premier McKenna's proposals has been struck, when it will meet, and whether there have been consultations regarding the person who will chair that committee.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there have been some casual consultations.

According to the motion, as the hon. member will know, that committee will be struck by the striking committee of this House, which I understand will be meeting this afternoon to make those decisions and then a chairman will be elected from among those. Those conversations can be had there frankly with the representatives of each party in the same manner as we have done for any other committees of this House.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I believe the order adopted by this House on Tuesday specifies that within three days the striking committee must report. It is only the second day today, so I take it we have another day.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1990-91

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-65

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

> That in relation to Bill C-65, an Act to provide Borrowing Authority, not more than one additional day shall be alloted to the further consideration of the second reading stage and,
>
> That 15 minutes before the expiry of the time provided for government business on such day, any proceedings before the House shall be interrupted, if required, for the purpose of this order, and in turn every question necessary in order to dispose of the second reading stage shall be put forthwith and successively without further debate or amendment.

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, the bill before the House today, Bill C-65, would authorize the Conservative government to borrow $25 billion. That is 25 thousand million we are being asked to put in the hands of some totally irresponsible people. Since the last election in 1988, this government has acted totally irresponsibly, first of all on the subject of unemployment insurance; second, on VIA Rail; third, on the GST they are getting ready to impose on Canadians. Those are some of the reasons why we in the Liberal Party cannot afford to let this government go to the financial markets for $25 billion.

I truly deplore the attitude of this government which seems to be running our country on an ad hoc basis. They have completely lost control of public spending, Mr. Speaker. They are cutting right, left and centre, and they are totally oblivious to the impact of these cuts. They want to introduce new taxes without prior agreement with the provinces. They want to impose a new tax across Canada while ignoring our information on the market, inflation, and the new costs this will entail for Canadian citizens. Mr. Speaker, when a government has only 17 per cent of public support, it should be more anxious to consult, especially with the official opposition and in fact with the whole opposition.

Mr. Speaker, the government will very shortly impose closure on this bill as it has been doing recently on a number of bills. The government seems to want to muzzle the opposition because it no longer knows what it is doing.

Mr. Speaker, let me give you a few examples. Near the National Capital region, in my riding, on the other side of the Ottawa River, only a year ago Northern Telecom was closed. This, of course, was blamed on free trade.

• (1520)

Just recently, we learned that Catelli would continue operations in Montreal provided employees accepted large wage cuts. Otherwise, it would shut down and go to the United States. Nearer here, *Les Placages de l'Outaouais* just signed a new collective agreement yesterday or the day before allowing the company to hire non-unionized workers for $6 an hour to replace employees who used to earn $10 an hour. They said in fact, "Take it or we close down!" Mr. Speaker, is that what the Prime Minister means when he tells us that 200,000 jobs were created last year, while in the National Capital Region and especially in our area, they boast about cutting the Public Service by 15 per cent over the last four years, they almost boast about closing down businesses—

I just spoke about Northern Telecom. I could tell you about *Les Boiseries de l'Outaouais*; the Federal Business Development Bank refused to lend it money to keep it going. We could talk about the Museum of Civilization for which the government, through the National Capital Commission, last year, just a few months ago, announced major cuts. That project, including the fountains costing $500,000, has still not been finished.

We remember all the patronage surrounding the construction of the Museum of Civilization, which originally was to cost $80 million and is now up to $260 million. That is where we should look, instead of imposing new taxes, continually sticking it to Canadians and making them bear the burden of mismanagement. That is where we should look!

The other day, I was examining the famous case of Transport Canada, and I want to look into it more closely soon. Last year the federal government decided to renew the lease at Place de Ville owned by Campeau Corporation. We know it will have to pay to remove the asbestos inside this building. The costs are estimated at some $100 million. A few weeks ago I was told that, should the government stay in its current location in Place de Ville where it faces major expenditures, after 20 years it will have paid over $900 million more than if it had awarded the contract last year to the lowest bidder who happened to be from the Outaouais. This is another example of mismanagement by this government that operates from day to day.

There were recent reports on CKCH, a local radio station, and in *Le Droit* that Canada Post was about to make major cuts in the Outaouais side of the National Capital Region and to eliminate sorting jobs in Hull, Aylmer and Gatineau. Cutting jobs left and right will not lead to economic recovery.

We, in the Liberal opposition, have given the government suggestions we consider realistic. There is a 5 per cent gap between the current interest rates set by the Bank of Canada and the American rates. How can Canadian businesses be competitive when our interest rates are so high and when the consumer always ends up paying for the damage?

Mr. Speaker, I believe the Opposition has presented you and the Government with solutions to try and reduce the current economic trend that is leading inevitably to a recession.

The government today is asking for authority to borrow $ 25 billion, which is 25 thousand million, Mr. Speaker! In order to do what? To go on managing on a daily basis as they are now doing, by restricting debate

because it is quite possible that in a few moments we will be denied the opportunity to further discuss the matter.

Well, Mr. Speaker, that will not work. The Liberal Opposition no longer can help or let this government rush us along the road to recession and increased inflation with the coming imposition of the For all those reasons and more, Mr. Speaker, the Liberal Opposition will flatly refuse to endorse any measure this government intends to force upon the Canadian people.

As I said, Mr. Speaker, and I insist on this because according to recent polls—and as we know public opinion polls, in Canada are accurate to a few percentage points—hardly 17 per cent of the Canadian people now approve of this government. Mr. Speaker, I believe this government is routed. This government whom the people no longer trust to lead them is preparing once more to introduce new taxes under the pretext of reducing the debt, reducing the deficit.

Mr. Speaker, I believe the Canadian people just as the Official Opposition no longer believe in this government's actions, and we cannot support Bill C–65 which would grant this government authority to borrow $ 25 billion.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I understand that I am debating the time allocation motion rather than Bill C–65 itself. The object of this time allocation motion is to limit debate on a bill that authorizes the government to borrow $25.5 billion on the credit of the people of Canada at interest rates that as of today have increased substantially.

My concern is that this government is acting in a more and more authoritarian manner and is dealing with this House of Commons in a more and more rigorous and dictatorial manner by ramming each and every piece of legislation through this House. As our House leader pointed out this morning, in the last 11 months this government has used closure or time allocation 15 times, more than any previous time in history. Since its term in office in the last six years it has used closure 30 times.

This government is abusing the House of Commons and abusing the rights and privileges of the members of the House of Commons by denying them the right to debate, in particular, the most important legislation coming into this House. This piece of legislation is extremely important.

The government is asking the opposition to give it *carte blanche* to borrow something like $25.5 billion on the credit of the people of Canada. That simply cannot be done after a mere four hours debate in the House of Commons.

The government has not been entirely honest with the members of this House as to what this money is going to be spent on.

• (1530)

I recall that when I served in another legislature, in a previous life, that it was almost natural for the government to bring in a borrowing authority bill each year. It would give it the right to borrow $1 billion, $2 billion or $3 billion and did not provide even a schedule of the government's borrowing plans and what it planned to spend this money on. We certainly have not seen a schedule tabled in the House as a part of this bill. When we hear the Conservative members speak on this piece of legislation, we do not hear anything as to what the government's plans are in respect of the $25.5 billion that it is borrowing under the authority granted in this bill.

This is the highest level of borrowing authority ever sought from the House of Commons by any government. This is a government that makes a pretence of being fiscally responsible and of being responsible with the public's money. Yet, here it is, on the floor of the House, borrowing the greatest amount that any government has ever come to the House of Commons to seek authority to borrow, without providing a shred of useful information to the members of the House and to the people of Canada, through the members of the House, as to how the money is going to be spent and what it is going to do to benefit the people of Canada.

How can the government expect us to accept a time allocation motion, after four hours debate, on a bill to borrow $25.5 billion? I just cannot understand the government's attitude in this case.

A member from Calgary stood up this morning and told us that this borrowing authority is required to handle social programs. He talked about the family allowance system, the payments to veterans, the old age pensions and supplements. But we were told by an earlier Conservative speaker that the programs of the government are already covered by tax revenues and that in fact the government has a surplus of tax revenues over

program expenditures. So, it does not really need this borrowing authority to cover the programs of government. We would like to know precisely what this $25.5 billion is for.

When I sat in that other legislature and we refused to vote in support of this type of bill, the government was forced to come in with a schedule showing what it intended to spend that money on. How can we grant authority to borrow $25.5 billion at the government's discretion, without knowing what the government is going to spend that money on? That is not the duty of a responsible member of Parliament, and we certainly have no intention of doing that.

This bill, which involves $25.5 billion, has been debated for four hours. That is about $6.5 billion per hour and the government is asking us to vote for it without any information at all as to how the money is to be spent. It would be irresponsible for members on this side of the House and members of the House on the opposite side to vote that much authority and credit to the government, at the expense of the people of Canada, without the government telling us what the money is going to be spent on.

We have had different stories from the other side of the House. Some have said it is for social programs. That is completely false because even the Minister of Finance said that the tax revenues of the country cover those social programs. Some have said it is for other reasons, but we simply have not got the accurate information from the government as to what it is going to be spent on. What we need is far more honesty from the government than we have had up to this point if we are going to be expected to support this motion for time allocation, which we do not, and if we are expected to support this borrowing authority, which we cannot as responsible members of the House.

The government acts along the pattern established by Ronald Reagan. It talks lean and mean; it talks about cutting back expenditures; it talks about cutting back debt; and it talks about keeping taxes in line. Yet, the government has been the worst government in history in terms of running up the debt of the country, increasing taxes, and its spending priorities. The government has been one of the worst governments in history. We cannot really be expected, when we see the government following the pattern of Ronald Reagan in the United States who was supposed to be the great budget cutter and the great deficit cutter. In fact, he ran up the biggest deficits in the history of the United States, the biggest foreign debt in the history of the United States and made that country the largest debtor country on earth. The Tories here are doing precisely the same thing.

We heard one of the members who spoke this morning say that when the Tories took over the Liberals had run up $160 billion in our national debt. Various speakers on the Tory side then indicated that the debt is now $294 billion, $350 billion, and one person on the opposite side of the House even suggested that the debt is now $380 billion.

This is a government that has increased the debt in six years by more than the debt that all of the governments since Confederation ran up between 1867 and 1984. How can you call that a responsible government? How can you call that a government that is fiscally responsible and that manages the funds of the people of Canada in a fiscally responsible way? This is the government that at the last election called on the electors of Canada and suggested that it was the competent management team. When that program fell flat because people in Canada simply did not believe it, it tried another election strategy. It is definitely not the competent management team. For a team like this to come to the opposition in the House after four hour's debate and ask us to give it the authority to borrow and to spend $25.5 billion, without a shred of evidence as to what they are going to spend it on, is absolutely irresponsible on the part of the government.

I think, Mr. Speaker, you are asking me to wind up my remarks. I simply want to say that we have no intention of supporting the time allocation and that is the position of this party.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am speaking today on this time allocation motion and I am going to say categorically, shame on the government. This is the thirty-fifth time, I believe, that we have had stifled democracy. Democracy, to the gentlemen and ladies from across the way, is allowing people to speak their minds, allowing them the benefit of listening to them, and also of speaking to them and explaining to them what is happening.

In the eyes of the government, democracy is "do it my way, or the highway". I have news for them. Maybe it should go back to take a lesson in political science. I thought democracy was everyone having a chance to be free and to speak their minds without any fear of being stopped. This is a stifling of democracy. Why? Because the government wants permission to borrow $25.5 billion more without any explanations whatsoever. It says: "Trust me, and I will do great things for you."

The recent polls have told us that people of Canada do not believe the government. They are not trusting the government. They are wanting answers, concrete answers. What will it do with this $25.5 billion? Why does it have to borrow $25.5 billion?

Today we know the interest rates are up, and tomorrow the government will tell us: "We have a larger deficit than was expected because we did not expect the interest rates to go up so high." Why will it not allow us the benefit of judging whether or not the $25.5 billion that it wants is rooted in fact or in just plain needing the money and wanting to have a slush fund.

We all understand that borrowing authority means going to the banks and they give a credit limit. But when governments get that credit limit, it is used up. How many times have we heard of somebody not asking for a higher credit limit, especially when it is government? But tomorrow, you and I and everyone else is going to hear about how expensive it is to borrow that money. Not only is it expensive to borrow that money, but the government is going to bring in a goods and services tax which will create inflation and Mr. Crow will insist on holding tight on his high interest policy. Again, the long term debt will increase because interest rates are higher. When will the government stop hiding, come forward and do something positive for the Canadian people? Tell us, if the government really needs the $25 billion and it is legitimate, why not tell us? Why impose closure?

• (1540)

I have a very difficult time with closure all the time. To me, closure says that the government is anxious about its popularity. It thinks that the less we speak about it, the more quickly it will go away. Well, things do not go away. The people of Canada live today, watch television, read newspapers, and they are better educated and concerned. They will not believe the fairy tale stories any more. No one believes that we will happy tomorrow, that the GST will solve all our problems, or, for that matter, that this past budget has solved all our problems.

Everyone understands that when the burden is passed on to the next level of government, that level has very little choice. It has either to raise taxes or to pass it down. The municipalities have no choice. They go to their ratepayers and increase taxes. Those people understand the cost of paying their water rates and their taxes when they increase.

There are a large number of people today facing very, very difficult years ahead. They are living on fixed incomes. Municipal taxes are increasing, water rates are increasing and now heating bills will increase because the GST will impose a terribly harsh burden on hydro bills and gas bills.

Has the government listened to people when they have said: "Listen, we cannot afford to pay the 12 per cent more"? Absolutely not. The government turns a deaf ear and wants to know what it will do. Because some people own big houses and it would not want them to get a break on their heating bills. The government is very willing to give a break to the large corporations. The large corporation is going to get a tax rebate on its heating bill, but the average homeowner is not going to get that break.

If one works for a large corporation and has an expense account, one will be able to go to the Dome, rent a room, have a private party and the company will be able to claim tax input credits. Everything will be all rosy for those people because they are big business. Big business is great and we have to keep encouraging it. We have to give them all the breaks. What about the little guy at the bottom who pays the tune? He is the one who has to pay the bill and he only has two pockets. It is the municipal pocket, the income tax pocket, the GST pocket, or the sales tax pocket, but he only brings in so much money. When the pocket is empty, it is empty.

I implore members of the government to have some consideration and to take the plugs out their ears. The people of Canada are imploring them. It is their future, their country. Would they please stop stifling debate? Would they please start explaining to people? Not only does the government stifle debate, but it does not explain to people what it is doing. Be honest, be upfront. Tell people: "This is what I have to do". It may not be the best thing in the world for you, but I think the people of

Canada can understand that there are times when it is necessary to borrow money. But tell us why.

Mr. Speaker, if your wife went out and borrowed money, I would think that you would want to know why. You would want to know what the heck she was going to spend the money on. It would have to be good. It is only normal. I see you agreeing that, yes, she had better. Well, that is what I am saying to the government. This government has to tell me why it is borrowing that money.

The Acting Speaker (Mr. Paproski): It being 3:45 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 78(3), have expired.

[*Translation*]

Accordingly, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the motion.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion, which was agreed to on the following division:

(*Division No. 210*)

YEAS

Members

Anderson
Andre
Atkinson
Attewell
Belsher
Bernier
Bertrand
Bird
Blackburn (Jonquière)
Blenkarn
Boyer
Cadieux
Campbell (Vancouver Centre)
Casey
Chadwick
Champagne
(Champlain)
Charest
Chartrand
Clark (Brandon—Souris)
Cole
Collins
Cook
Cooper
Côté
Couture
Crosby (Halifax West)
Danis
Darling
DeBlois
de Cotret
Della Noce
Desjardins
Dick
Dobbie
Dorin
Duplessis
Edwards
Epp
Fee
Ferland
Fontaine
Fretz
Friesen
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hicks
Hogue
Holtmann
Horner
Horning
Hudon
Hughes
Jelinek
Joncas
Kempling
Kilgour (Edmonton Southeast)
Koury
Landry
Langlois
Larrivée
Layton
Leblanc (Longueuil)
Lewis
Littlechild
Loiselle
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming)
Malone
Marin
Martin (Lincoln)
McCreath
McDermid
McKnight
McLean
Merrithew
Moore
Nicholson
Nowlan
Oberle
O'Kurley
Plourde
Pronovost
Redway
Reid
Reimer
Richardson
Robitaille
Roy-Arcelin
Saint-Julien
Schneider
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Tardif
Têtreault
Thacker
Thompson
Thorkelson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Van de Walle
Vankoughnet
Vien
Weiner
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Worthy—117

NAYS

Members

Allmand
Anawak
Arseneault
Baker
Benjamin
Black
Boudria
Butland
Caccia
Catterall
Clancy
Crawford
Dionne
Duhamel
Edmonston
Ferguson
Fisher
Foster
Gardiner
Gauthier
Grey (Beaver River)
Guarnieri
Harvey (Edmonton East)
Heap
Kaplan
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
MacWilliam
Maheu
Manley
Marleau
McCurdy
McGuire
Mitchell
Murphy
Pagtakhan
Pickard
Rideout
Riis
Robinson
Rocheleau
Skelly (Comox—Alberni)
Stupich
Whittaker—47

• (1610)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Mr. MacWilliam: Mr. Speaker, although I did not hear the call of my name, I understand that I was incorrectly named as one of the other members, Mr. Axworthy. I would just like it verified that I in fact stood for the count.

The Acting Speaker (Mr. Paproski): You are recorded with the nays.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C-38, an act to amend the Federal Court Act, the Crown Liability Act, the Supreme Court Act and other acts in consequence thereof; Bill C-56, an act to amend the Small Business Loans Act; and, Bill C-48, an act to amend the Crop Insurance Act.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa
March 29, 1990

Sir,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 29th day of March, at 4.30 p.m., for the purpose of giving the Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Léopold H. Amyot
Secretary to the Governor General

[*Translation*]

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nunatsiaq—The economy; the hon. member for Cape Breton Highlands—Canso—Fisheries; the hon. member for Gatineau—La Lièvre—Tourism.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1990-91

MEASURE TO ENACT

The House resumed from Wednesday, March 28 consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-65, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): We are reverting to the regular routine which is PC, Liberal, PC, Liberal, PC, NDP. The first speaker will be the hon. member for Saint-Jean.

[*Translation*]

Mr. Clément Couture (Saint-Jean): Mr. Speaker, I want to say that the government has tackled the national debt issue and will continue to introduce economic policies designed to boost Canada's economic growth.

Of course we have to admit that as a nation we live in an ever more competitive and rapidly changing world. If Canadians are to survive in such a competitive environment, they need a dynamic and flexible economy which can react quickly and efficiently to new challenges and new opportunities, a more open economy which is better atuned to markets where our best men and women can compete.

For five years now the government has been busy getting our economy ready to face international competition. Piece by piece we have erected better structures to promote economic growth and job creation.

Mr. Speaker, a number of components are already in place. The Canada-U.S. free trade agreement opens up new avenues for Canadians seeking to do business on world markets and will eventually translate into a permanent 3.5 per cent increase in economic productivity and the creation of jobs right across the country.

Deregulating the energy and transport industries and shelving the National Energy Program enabled the governement to withdraw from key sectors of our economy.

The income tax reform led to lower tax rates and the elimination of preferential treatment and tax loopholes.

• (1620)

It has led to higher economic production by increasing incentives to work, save and invest.

The Labour For a Development Strategy will result in improved labour force skills and flexibility. Better training helps Canadians adjust to new and changing technologies. This means better jobs for Canadian workers.

The privatization of Crown corporations helps strengthen economic efficiency and reduce the deficit. The initiatives we have taken to date have helped improve to the financial position of many Crown corporations. Replacing the existing manufacturer sales tax by the goods and services tax will strengthen competitiveness, help reduce the deficit and implement a fairer sales tax system. This is a necessary move to replace a tax that destroys jobs, makes our exports less competitive and favours foreign imports over Canadian manufactured goods, at a cost of $9 billion in production loss. It is needed in order to replace a frail and unreliable tax by a secure source of revenues.

Mr. Speaker, those initiatives will increase our competitiveness and our economic potential. They encourage private enterprise, eliminate barriers to economic growth, ensure access to markets, increase investments and efficiency. Taken together, they will raise the potential for sustainable growth by some 2 3/4 to more than 3 1/4 percent a year on average, which in turn will mean more jobs for Canadians. Over five years, this will represent a gain of some $2,500 for a family of four.

Mr. Speaker, by putting forward economic policies that strengthen our competitiveness and our economic potential, we are not only building a safe and promising future on a solid foundation, but we are also reducing the deficit, thereby giving a responsible government the financial flexibility needed to maintain our worthwile services and meet new challenges.

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member for Comox—Alberni on debate. Is the hon. member going to take 10 minutes or 20 minutes?

Mr. Robert E. Skelly (Comox—Alberni): I was going to take the full 20 minutes. Were you going to permit questions?

The Acting Speaker (Mr. Paproski): I will permit a question or a comment if the hon. member wishes.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I would like to ask the hon. member if he would not agree that the government has created a very serious state by its financial mismanagement of the Canadian economy. We have a request for borrowing an astronomical sum of money without any real justification because the government has failed to do anything to control its bad spending habits.

As members of this House we are being asked to agree with this really outrageous bill to authorize the government to spend this money.

One of the things that surprises me is that the Minister of Finance rants and raves in this House about what a wonderful job the Governor of the Bank of Canada is doing. He says he has great confidence in the Governor. The Governor has indicated that he will wrestle inflation to the ground. He is going to bring the inflation rate down to zero per cent.

The extraordinary thing is if the government genuinely believes that the inflation rate will drop to zero per cent over the next five years, it will continue to issue long-term bonds at 11 per cent. Everyone knows that the inflation rate in this country is between 4 per cent and 5 per cent and that interest has two purposes—to compensate the person who borrows the money for the loss of value of the money through inflation and to pay a fee for the use of the money.

The clear implication here is that the loss of value is 4 per cent or 5 per cent which the Governor says he will reduce to zero through his Draconian and vicious policies that affect every Canadian and that we condemn roundly in the House, except himself, of course, with his 36 per cent increase over the last three years. This is a generous increase by any standards especially when you start with a nice plump salary.

The government says it believes the Governor and is convinced that the Governor will reduce the inflation rate to zero. But the government is still paying 11 per

cent on its long term money. Why? The Minister of Finance, if he believes as he says he does, that the Governor will reduce the rate to zero, should not issue any long term bonds. He would be crazy to do that because in another three years when the rate is down to zero he could issue the same bonds at 5 per cent or 6 per cent.

Instead of that, the minister is issuing bonds willy-nilly at 11 per cent. Why? Is it because he does not believe the Governor or is it because he does not believe what he himself is doing? Does he believe his policies will keep the inflation rate up at 5 per cent or 6 per cent in spite of the Governor's interest rates? Is the minister working at cross purposes with the Governor?

I invite the hon. member, who I know has discussed this matter extensively with the Minister of Finance in caucus and presumably in private conferences, will want to comment on the way the Minister of Finance is gouging and screwing Canadians with both high interest rates, which he and the Governor have joined up to do, and with the high taxes that the minister has proposed continuously in his budgets.

I ask the hon. member to comment on the position of the Governor because the Prime Minister and the Minister of Finance have got together with the Governor and said: "Look, we'll give you a little more money, now you take the rap for the high interest rates, and away we go. We'll give you a 30 per cent increase or 36 per cent increase or whatever it is"—it may be more, it might be 60 per cent, we don't know—"in the meantime you help yourself to some extra dough and hike those rates and do your duty, but you take the flak for it. We are going to blame it on you as Governor of the bank and let you take the rap".

Is that what is going on? Has the member discussed those matters with the Minister of Finance? Could he perhaps let us into his confidence and tell us what answers the minister gave him to answer for the atrocious way in which he is running the economy of this country?

Mr. Couture: Mr. Speaker, there were many questions but I will try to answer them one after the other.

[*Translation*]

First, Mr. Speaker, they talked about overall management. I would like the hon. member opposite to say which of the following governments is better: the Liberal government which from 1980 to 1984 raised government expenditures at an average rate of 14 per cent in those four years or the one which from 1984 to 1988 increased expenditures by 3.6 per cent and from 1988 to date, expenditures increases are never to exceed 3.2 per cent.

In 1984, we were left with a $38.3-billion deficit, which we were able to reduce to $28.1 billion in 1988 by cutting government spending. That shows the government's overall management. I think that if you compare the two, we are far, far ahead of you all.

As for monetary policy, as a member of the Standing Committee on Finance, I had the opportunity to meet Mr. Crow many times. I must tell you that in a country as large as ours, with such regional variations, it is clear that we absolutely must have a monetary policy to control inflation. We cannot go back to what we went through in 1980, 1981 and 1982, with interest rates over 20 per cent. We must control them. The one and only way we can control them is monetary policy and I think that the Governor of the Bank of Canada is doing an absolutely impeccable job of keeping inflation under acceptable control.

As for Mr. Crow's salary, everyone has talked enough about it here in the House; I do not see the need to add even a very short comment about it.

• (1630)

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to read a few quotes to my colleague across the way. I know it is unfair to do this but who is in favour of fairness when you are dealing with the Tories. Mr. Speaker, you may recognize who this is: "The inflation rate in the market-place, the non-government controlled part of the economy, is between 5 and 6 per cent. The current interest rate at 13 per cent or 14 per cent is simply too high".

I want my colleague across to guess who said that. I have another here. This one is dated March 13, 1984: "It

does not make sense to all of us to have this situation in Canada where interest rates are allowed to rise".

This one is from May 1, 1984: "The only response the minister has is to increase interest rates. That in itself has led to further weaknesses in the already weakening economy over the past six months".

I want my colleague to guess who that is and without keeping the House and all Canadians in suspense too long, those comments were made by the member for Etobicoke Centre on December 13, 1982, March 13, 1984 and May 1, 1984. I would like to invite comments from my colleague across the aisle.

[*Translation*]

Mr. Clément Couture (Saint-Jean): Mr. Speaker, I will not comment on what happened here in 1984, because I wasn't here. I was elected on November 21st. But there is one thing that I can tell you people across the way: in a relatively short time, you succeeded in making a morass of our economy. Since 1984, there is a government who takes care of economic details and who is doing an impeccable job in correcting the situation—

An hon. member: "Impeccable"?

Mr. Couture: Yes sir. Considering the mess you left us in 1984, I think that the current statistics give us good reason to be proud of our administration. And obviously, three, four or five years are not enough to correct 12 years of financial neglect. Some say that in 1994—

The Acting Speaker (Mr. Paproski): I am sorry but the question and comment period is over.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the first question that I want to ask is why I cannot support this government's borrowing bill. Before I begin the address I want to make one particularly important point. If one looks at the actions of a person, one can then judge from those actions the kinds of values and beliefs that are in operation.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1650)

[*Translation*]

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Hajesty's name, the Royal Assent to the following Bills:

Bill C-5, an Act to amend the Railway Act—*Chapter N°6.*

Bill C-23, an Act to amend the National Energy Board Act and to repeal certain enactments in consequence thereof—*Chapter N°7.*

Bill C-38, an Act to amend the Federal Court Act, The Crown Liability Act, the Supreme Court Act and other Acts in consequence thereof—*Chapter N°8.*

Bill C-48, an Act to amend the Crop Insurance Act—*Chapter N°9.*

Bill C-56, an Act to amend the Small Businesses Loans Act—*Chapter N°10.*

Bill S-9, an Act to amalgamate the two corporations known, respectively, as "The Governing Council of The Salvation Army, Canada East", "The Governing Council of The Salvation Army, Canada West", and to make necessary provisions regarding the charter of the amalgamated corporation.

Bill C-70, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1990—*Chapter N°11.*

Bill C-71, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1991—*Chapter N°12.*

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1990-91

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-65, an act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I will continue my debate. I was saying that I wanted to explore with my colleagues the actions of government and attempt to identify, if you will, the values and beliefs that drive its decisions.

If one looks at a person's decisions and the actions he takes, I think it is quite possible to have a sense of his priorities, of what he holds important. I want examine the general budgetary and financial policies of the of the government in order to understand its values and beliefs.

Let us look at some of the cuts in programs, starting with health. The government said that it would not change the formula before it became the government. But in 1986 it cut it by 2 per cent; and in 1989-90 by another per cent; and it froze it for two years. Now who was affected by those kinds of decisions?

The elderly, of course, because they need more health care generally. The sick, obviously. The handicapped. They are the ones who are in need. So what does that say about a government which undertakes those kinds of decisions? It does not make a very positive comment.

Let us look at another reduction; education. Again, the government was not going to change the formula. That is what it said publicly. It was changed in 1986 by 2 per cent; again by 1 per cent in 1989-90; frozen for two years. Who was affected? The young men and women who want to become educated, trained and devote themselves to this country.

There is training and retraining. According to the Canada-U.S. trade deal, we were to have the finest training programs in the world. What happened? There have been reductions all along the way. There have been no adjustments for growth, no adjustments for new programs. Not only were they reduced, they were transferred and put on the backs of the workers and employers. Who will pay for that? The workers, employers and the unemployed.

Who is going to be affected negatively? The unemployed, the people who need help, the workers, those who are called upon to retrain because of the massive changes in our society. One can see this government's values, beliefs, and priorities by examining its actions.

Let us look at literacy. We have in this country roughly five million functionally illiterate Canadians, people who do not read or write well enough to be able to give as much to this society as they would or withdraw from it what they could. It is costing Canada perhaps $10 billion to $11 billion per year.

The government responds by spending $4.50 a day. What does that say about the government in terms of its values, beliefs and priorities? It suggests a great deal of cynicism, because with $4.50 per day per individual, what can you possibly do?

Let us look at student aid. There have been no changes in criteria since 1984. The cost of living has gone up significantly since then and the cost of education has gone up even higher and more quickly than the regular cost of living.

What has been done? Not only have there been no increases, an administrative fee of 3 per cent has been added on. What is the logic behind adding an administrative fee of 3 per cent to those who need money, to those who have to borrow in order to continue their education. It seems to me that that is totally contradictory to what ought to be done. I mean if you are poor, you ought not to have to pay more in order to pursue an education and a career.

Let us look at research and development. You will recall that the government was going to double the investment. It is roughly half. It has slipped since 1984. We were told to factor out the military. I looked at that because the minister tried to make that point in the House the other day. I looked at the situation and verified that we would still be in sixth place. So let us cut out the corn.

Who is affected? All of Canada. All Canadians are affected by the breaking of that promise. Who is affected mostly? Our young men and women, some of our brightest, who contribute most to this country. All of industry, all of society will be affected negatively by the government's actions.

Quite apart from all of those reductions and quite apart from what it says about the beliefs and the values and the priorities, let us look at what else the government has imposed. The costs of the goods and services tax, education, and the postal subsidies will be absorbed. That means that people will be penalized even more. Again our young men and women will have to pay the price. If they have to pay the price and they cannot continue to develop, it will be Canadians and Canada who will suffer.

As a result of this freeze that has been imposed by this government over the next two years, there will be an absorption of roughly 10 per cent. The governments own papers predicted that inflation will be roughly 10 per cent over the next two years.

Many of us believe that is a rather conservative estimate, and that inflation will go much higher. But it will be at least 10 per cent. That means that young men and women who go to college and universities, who get into research and development, will have to absorb 10 per cent more costs over the next few years.

I have been following the hypothesis that if you look at an organizations actions, then you can get a sense of its values, a sense of its beliefs, a sense of its priorities.

Programs for aboriginal people have been cut. Their programs have been reduced. The aboriginal people are among the poorest of the poor in Canada. We often forget that we have between 3.5 million to 5 million poor people, most of whom are women, one million of whom are children. We have more food banks than we have McDonald's hamburger restaurants.

Who else has been cut? The multicultural groups, our new Canadians, those people who are hoping to contribute more to this country while preserving what they have and integrating it into the Canadian fabric. Women's groups have been cut. Women have just started to make some inroads, some gains in education and in the workforce. What happens? The moment they start to make some advances their programs are cut, reduced, pushed back. What does that say about the government?

What about the clawback that has affected seniors? Remember that the government tried to deindex and seniors were able to hold it off. Then it came back with this clawback, which is in effect the same thing.

What else was there? The family allowance. That is a direct attack on the families.

If you look at the tax increases, you see that there were 31 tax increases. The goods and services tax will be number 32. Who is affected? Look at the statistics. The poor. Just consider the people who make $25,000 a year and less. You will find that their taxes have increased by 60 per cent. Take the middle class defined as follows: two wage-earners, one earning $28,000 and the other $17,000. You will find that they are paying roughly $300 a month more in taxes than they were paying in 1984. What does that say about government? What do those actions say about its beliefs, its values, its priorities?

The Acting Speaker (Mr. Paproski): The hon. member will have 10 minutes remaining in his debate, plus 10 minutes for questions and comments.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

FISHERIES

PROTECTION OF HALIBUT

Mr. David D. Stupich (Nanaimo—Cowichan) moved:

That, in the opinion of this House, the government should protect the halibut fishery off the British Columbia coast from overfishing and ensure adequate stock enhancement by all responsible countries.

He said: Mr. Speaker, the terms of the International Halibut Fishery Commission govern the allocation and the security of this endangered species on the west coast. It is an example of the way in which the fisheries have been managed on both coasts by this government and by its predecessor. At the moment I am concerned and talking about the halibut off the west coast of British Columbia.

In recent years there has been a growing problem with respect to this halibut fishery, namely, that the U.S. troll operations operating out of Alaska have increased to the point that the very future of the fishery itself may well be threatened. This is not a new story about fisheries in Canada.

I refer to the information put forward by the International Pacific Halibut Commission which indicates quite dramatically the direction the catch limits on halibut are in fact going. There is a table put out by the commission called the "IPHC Staff Regulatory Proposals, 1989" in millions of pounds. Most of the material is about area 2: 2A in Washington, 2B in B.C., 2C, 3A, 3B and 4 in Alaska.

The 1988 catch limit totalled 74.15 million pounds. The 1989 staff recommendations were 64.65 million pounds. The projected future catch limits sets out the same story as we are hearing on the east coast with respect to cod: each year the catch limit is going down. For 1990 the total catch limit is 55.8 million pounds, and for 1991 it will be 47 million pounds.

The commission recognizes that the stocks are being depleted rapidly and is suggesting lower quotas year by year, rather than biting the bullet and making a significant reduction in one year in the hope that the stocks will rebuild.

These figures include the total recreational, treaty Indian and other commercial fisheries.

The origins of many of the problems that have led to the figures I have given can be traced to a 1980 treaty signed between Canada and the U.S. which prohibits the harvesting of halibut in U.S. waters by Canadian fishermen and vice versa. A system for division of the catch was based upon historical catch data held by the IPHC. In area 2, which is from Cape Spencer in northern B.C. to the State of Washington—a lot of water—the Canadian share was set at 60 per cent. The U.S. share was supposed to be 40 per cent of the halibut catch.

There is a chart available again from the same source, the IPHC, which shows that we have not been able to harvest 60 per cent of the total catch in any single year since these records have been kept. In 1984 we came close: between 58 per cent and 59 per cent of the total catch was harvested by B.C. fishermen. It went down to 51.72 per cent in 1985 and to 50 per cent in 1986. There was a bit of a recovery in 1987 when it went up to 51.13 per cent. It went down to 51.52 per cent in 1988 and to 49.7 per cent in 1989. In 1990 it is projected at 49.4 per cent. In 1991 it is projected at 49.2 per cent.

Each year the catch and the projections are going lower and lower. We are getting further and further away from the agreement that we would be able to harvest 60 per cent of the total catch.

One of the major concerns has been that any increase in effort in Alaska, which has been occurring, will seriously affect the harvesting sector in B.C. due to the fact that the migration of halibut from Alaskan waters is interrupted.

Since 1984 there has been a higher than normal abundance of halibut in the Alaskan 2C area. The Alaskan harvesting sector was able to justify an allocation higher than prescribed by the quota due to this abundance.

In 1989, with the halibut stock declining in the 2C area, the Canadian fishermen were still denied the 60 per cent allocation due to the declining stocks in total. The question immediately comes to mind: What is the situation with respect to the total halibut stock?

The viability of the nursery beds was once threatened by the presence of Japanese draggers. Once again this reminds me of what is happening on the east coast with respect to bottom fish stocks.

The U.S. and Canada jointly applied in the 1960s to force Japanese trollers to stop dragging on the more sensitive halibut habitat in the Bering Sea, long before the 200-mile limit ever became law in the late 1970s. The Japanese heavy bottom draggers were tearing up important rearing grounds, which meant they not only slaughtered younger generations of halibut that live to be 30 to 40 years old. but they also ruined feeding and spawning habitat for future generations. The Japanese had to be stopped to protect the species, and they finally were.

As I said, this is the story I kept hearing in Newfoundland and in the Atlantic areas generally about what could be one of the main problems with respect to the cod stocks in those areas.

The viability of the nursery beds were being threatened by the Japanese draggers. They have been expelled. They agreed to be expelled.

Now it is the U.S. dragger fleet that is operating. Regardless of whatever initiatives are taken by the U.S. to monitor activities on the nursery beds or other activities of the U.S. fleet, such as the observer program, the available data indicates that the stock is in serious trouble. According to a submission to the Standing Committee on Forestry and Fisheries in April 1989, it is the same fleet which with the permission of the Alaskan authorities overfished the king crab stock to the point of extinction in the late 1970s to the early 1980s.

Incredibly the information provided by IPHC scientists is that 50 per cent of the damage done to the juvenile halibut stocks is being done on the nursery grounds by the U.S. dragger fleet. In spite of knowing what is the situation, there is a current construction program which

will see put in place in the course of 1989 and 1990 an additional 62 new Alaskan factory trollers.

The by-catch by the U.S. trawlers has been estimated by the International Pacific Halibut Commission scientists to amount to 17 million pounds annually or 7 million more than the legal Canadian quota in the 2B area, which area extends from the U.S. border in the south to beyond central B.C. Again there is a problem with respect to the ability or the willingness of the U.S. regulators to restrict their activity.

• (1710)

There is also the question of the illegal Japanese market. If I may quote from the United Fishermen and Allied Workers Union brief of April 1989, it states:

> Bob Alverson, the U.S. government appointee to the north Pacific Fisheries Council, was recently astonished to find that before the legal halibut fishery even commenced in May, the four million pound plus Japanese market for under 20 pound halibut has been filled. This illegal trade is supplied almost totally by the U.S. domestic troll fleet.

The United Fishermen and Allied Workers Union set out seven recommendations in its brief. They are that, first, Canada must act immediately to ensure that the U.S. establish regulations prohibiting U.S. trollers from dragging on the more sensitive halibut nursery and rearing grounds.

The second recommendation is that the Canadian government give all possible aid to appropriate private or government groups from Canada and the U.S. which are attempting to lower halibut by-catch limits dramatically in the Bering Sea downward from the current 5,300 tonne limit.

The third recommendation states that American authorities establish a 100 per cent observer program to regulate strictly the U.S. domestic troll fleet. Nothing less will be sufficient.

Fourth, a public investigation into the illegal supply of halibut to Japanese and/or other markets should take place and that corrective measures be taken immediately.

Fifth, the United States should compensate Canadian industry for any loss occurring as a result of illegal and/or negligent activity and covered by any such investigation.

The sixth is that the U.S. government move to establish penalties harsh enough to deter law-breakers and to bring them quickly to justice.

Finally, the UFAWU recommends that there is adherence to the Canada-U.S. halibut agreement calling for a Canadian share at the rate of 60 per cent of area 2 quotas.

It is a serious matter. The halibut stock is in danger from overfishing by the U.S. fleets.

The Canadian government, in its Speech from the Throne in April of last year, declared that one of its major concerns was the extent of overfishing which was destroying our domestic industry. This motion will provide all members the opportunity to express themselves in support of an initiative to combat overfishing.

The overfishing endangering the halibut fishery is but one more example of the neglect which has been occurring in respect of the future of this B.C. fishery, as well as of the Atlantic fishery.

I invite all members to support this motion and take this opportunity to demonstrate on this international issue that the Canadian government stands with the fishermen on the west coast in their fight to preserve this Canadian fishery resource for Canadians.

This is a resolution that I think all members of the House could support. It is not criticizing the government. It is asking the government to take action to save a Canadian resource for Canadians. I invite all members to support this motion.

Mr. Stan Wilbee (Delta): Thank you, Mr. Speaker, for the opportunity to speak on this topic which is very important to British Columbians. I appreciate the motion which has been brought forward by my colleague from Vancouver Island and how ably he presented the problem and the solutions for it.

I had the privilege in my misspent youth of working for B.C. Packers in the halibut industry. In spite of working with raw fish all day, we were still able to go home at night and enjoy a choice halibut steak. To me, halibut is

one of the most delightful treats that we have on the west coast. I think that it is a product and a stock that we do need to look after.

What I would like to do is review the halibut industry on the west coast and how it has developed. My colleague has very ably done that to some degree.

Halibut is one of the oldest fisheries in the north Pacific. Well back in our native history we see references to the halibut and the significance that it had in the early days before the white man appeared on the west coast.

While salmon and herring are highly cyclical, halibut, as our colleague pointed out, live much longer. They are not as mobile, although they do range over the north Pacific. It was mentioned that these fish live to 30 or 40 years and arrive at several hundred pounds in that lifetime.

In spite of that we are seeing a decline in the numbers of halibut that we are catching on the west coast. I think the important thing is to pinpoint the reason for this. If indeed overfishing is a significant factor, then we should certainly be changing our quotas, and certainly be negotiating with the Americans to make sure that this very valuable stock is being cared for.

There is also some suggestion that the climatic changes and water temperature changes on the west coast do have an effect on the spawning and on the movement of the halibut. As was pointed out, they do move from American into Canadian waters at various times in their life cycle, so it is important to remember that this is an international problem that we are facing.

It was during the 1930s that the halibut fishing industry took a tremendous growth. It experienced substantially increased landings. Following a catch of 44 million pounds in 1931, annual landings of Pacific halibut rose steadily, peaking at a record 75 million pounds in 1962.

During those early years of the 1960s it became very clear that the resource had been overexploited and halibut landings took a sharp downward turn. In the next 12 years these landings plummeted to a low of only 21 million pounds. This figure includes the American catch as well as the Canadian catch in 1974.

As was pointed out, this was following a prolonged period of foreign fishing and low recruitment. The whole Pacific halibut fishery declined not only because of local overfishing but because the international fleet was overfishing well. The greatest reductions were off British Columbia and Kodiak Island where the foreign trawling had been most intense and prolonged.

In 1979 Canada and the United States extended their territorial limit to 200 miles. After several years of greatly reduced harvesting and stock rebuilding, the harvest levels recovered and the annual landings rose rapidly.

Although the landings in all areas recovered substantially between 1980 and 1987, the sharpest increases have occurred in the Gulf of Alaska. Again, my colleague has referred to the amount of fishing that has been going on.

During those years, between the 1950s and 1960s, the price of halibut was very stable, but as the presence of halibut declined, the prices increased which again encouraged overfishing. In 1980, however, the price of halibut fell again faster than it had risen in the 1970s. As a result the prices declined to what they were in the 1930s. Adding to the decline in the prices was the expanding growth and efficiency of the halibut fleet resulting in a shorter fishing season and less product sold in the higher priced fresh fish market.

On the west coast of Canada the halibut fisheries spans 500 miles. It always has played an important role in the commercial fishery in British Columbia.

Prior to the signing of the extended jurisdiction in 1977 and the implementation of the 200–mile limit in 1979, vessels from both nations fished halibut off each other's coasts. Similarly, the fishing fleets of each nation shared in the good and bad times of the halibut fishery.

Since 1979 and 1980 Canadian and U.S. vessels have been restricted to fishing in the waters within their own national jurisdiction. This has had a tremendous effect on the B.C. halibut fleet because we no longer have the opportunity to fish up in the Bering Sea where there are 2,000 miles of coastline to fish. We are now limited to the 500–mile area off the B.C. coast.

• (1720)

These limitations have had one beneficial effect in that the Canadian government has been able to better control the fishery. It also prevented the Canadian

fishermen from sharing in the boom of the 1980s in the Gulf of Alaska.

Between 1979 and 1983, B.C. halibut landings hovered around the 5 million pound level. After 1983, landings have risen steadily and reached 12.9 million pounds in 1988.

Although the increase in the harvest level was good news to Canadian fishermen, catches were increasing even more rapidly in the Alaskan fisheries where substantially larger quantities of halibut are landed. Quota increases were implemented several years later. We recognize that this may not necessarily be due to increased stocks but perhaps to the increased fishing effort.

In 1981, the Department of Fisheries and Oceans limited the growth in the number of fishing vessels in the commercial halibut fishery by cutting the number of licences issued to form a limited entry fishery. Approximately 440 halibut licences were issued to Canadian fishing vessels. It should be noted that not all vessels with a halibut licence participate in the halibut fishery each and every year.

In the mid-1980s, the number of fishing boats was between 301 and 337. Because of the increasing value of the halibut since 1984, in 1988 all 435 licences were renewed.

By 1987, virtually all commercial fishing vessels with halibut fishing privileges were actively fishing halibut. The fishing capacity continued to increase. The Canadian fleet was able to catch in excess of 12 million pounds in a mere 16 fishing days.

In 1989 Canadian fishermen were permitted to fish only one eight-day period and one three-day period. This was largely due to technological changes in the gear and equipment, such as circle hooks, snap-on gear, automatic baiting machines and improved fish finding electronics. This increased the efficiency to levels that had been entirely unheard of and unthought of just five years earlier. The result of these changes was a halibut fleet which in 1987 harvested over twice the catch in nearly one-quarter of the time required in 1982.

As has been pointed out, the changes in halibut fleet catching power were most dramatic in the unlimited entry fishery in the Gulf of Alaska where, in 1987, 30 million pounds of halibut were caught in less than two days. This of course is one of the real concerns of the halibut fishery on the west coast.

In recent years the halibut fishery in the Gulf of Alaska has taken the allowable catch limit, also in a few days, even though recent annual catches are nearing historical highs. For comparison, the 1988 Gulf of Alaska catch limit of 55.5 million pounds was taken in five days and three days, subject to limits on the amount of halibut which may be landed by each vessel, whereas in the late 1970s over 40 days were required to take the annual catch limits of less than 20 million pounds.

The Canadian fishery, which is smaller in size and has limited entry licensing, has also realized substantial increases in catchability and sharp decreases in the numbers of fishing days.

In 1979 the Canadian fleet landed less than 5 million pounds in 40 unrestricted days and in 1988 caught 12.5 million pounds in 13 fishing days.

In 1990 fishermen may choose to fish a four-day period in April or a four-day period in June. The remaining total allowable catch can be taken in a clean-up fishery in September.

The total allowable catch this year is 7.8 million pounds. These shorter fishing seasons are the result of new fishing technology, increased efficiency and, in the case of the United States, increases in the number of vessels.

Declining halibut stocks off the B.C. coast are probably due in part to overfishing, but we need to do much more research into the causes of the decline of the fishery. If there are climatic changes, changes in the sea bed or drift-net fishing, then I agree the Canadian government should certainly take a firm stand in these areas.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I thank you for giving me this opportunity to support the motion before the House which calls for the protection of the British Columbia halibut fishery from overfishing and the maintenance of adequate stock enhancement by all responsible countries.

For the information of the House, halibut is a migratory stock which spawns in specific spawning areas in British Columbia and Alaska. They migrate south and east. The migration brings them into the fishing grounds of British Columbia and the states of Alaska and

Washington. It is here that they become available for the long-line fisheries harvest.

There is also an important rearing ground for the halibut fishery in the Bering Sea. This area nurtures the fish which can live to be 30 to 40 years old and weigh up to 500 pounds.

In the 1960s it was discovered that the Japanese trollers were dragging this area and tearing up the feeding and spawning halibut. The Canadian and Americans, under the auspices of the International Pacific Halibut Commission, IPHC, succeeded in stopping the Japanese dragging in this area after intense international pressure was applied.

Today, however, the Americans and Canadians operate under the 1980 treaty which prohibits Canadians from harvesting in American waters and vice versa. The treaty negotiated in good faith was based upon the assumption that the two nations which fought so hard to preserve the halibut stocks would act responsibly in their own fishing grounds. This did not turn out to be the case. The Japanese have been replaced by the Americans who are now trolling the nursing grounds.

One advantage of having fishermen fish in each other's waters was that each nation would have a vested interest in ensuring that the stocks were healthy along the entire migratory route. The Americans, in particular the Alaskans, decided to take advantage of this situation. The Alaskans realized that the fish migrated from the Bering Sea through the waters of Alaska, British Columbia and Washington, in that order. Therefore, they would always have the first grab at the stocks.

From this situation the Alaskan fishing fleet grew dramatically to approximately 4,300 vessels. This is roughly 10 times the size of our fleet in British Columbia. Not only is the fleet huge but it is largely unregulated. Therefore, it is difficult to detect overfishing.

The IPHC has known about this situation for several years but has consistently been unable to persuade the Americans to institute observers on all their vessels. This is annoying to the Canadian fisheries industry which each year helps to stock and conserve the species but continues to find its catch declining in volume.

In 1989, new and alarming statistics came to light regarding the overfishing by the Americans. Here are just a few examples. The Alaskan *Fishermen's Journal* reported that the southeastern Alaskan troll fishery catch of targeted flounder was less than one-quarter the value of the prohibited halibut and crab taken in the fishery.

IPHC scientists estimated that the incidental by-catch of halibut by the U.S. trollers amounted to 17 million pounds, which was 7 million pounds more than the total allowable catch for Canada in 1988. These figures were later determined to be too low.

The IPHC scientists also believe that 50 per cent of the stock damage done to juvenile halibut stocks is done right on the sensitive nursery grounds. Given these alarming statistics, we must further study methods which will enable us to protect our common halibut nursery grounds and also deter the Alaskans from overfishing and trolling the nursery grounds.

Further to this, it is of the utmost importance that we enlist the help of Americans in this matter. A unilateral Canadian action in this matter is futile without the co-operation of all parties involved in the international halibut fishery.

• (1730)

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I would also like to congratulate the member for Nanaimo—Cowichan for bringing this resolution to the floor of the House and also congratulate the other speakers who have intervened in this motion.

It is very important, from the point of view of the Pacific Coast fishery, that Parliament resolve on this issue and take a strong stand. It is very important to the people on the west coast who have already seen what has happened in the east coast fishery as a result of competing fleets taking more and more of the resource and less and less attention being paid to conservation of that resource. We have seen serious damage done to the fish stocks off the east coast and serious damage done to the economies with fish plants shutting down in a number of towns throughout the Atlantic provinces.

I used to work in the fishing industry in British Columbia back when I was going to university and high school. I worked in a shipyard in Richmond, B.C. owned by Nelson Brothers Fisheries Limited. I recall when the boats came back from the Gulf of Alaska and the Bering Sea they used to bring for the workers in the shipyard huge halibut that they had caught in the Bering Sea and

in the Gulf of Alaska. It was my job as somebody who worked in the shipyard to go down in the hold of these big fishing vessels to put a block on these halibut and lift them up so that they could be cut into chunks for the shipyard workers. When those halibut were standing on end with the blocks they used to be eight to ten feet high.

In recent years, the number and size of halibut has declined dramatically. We are concerned on the west coast of Canada that this fish is being fished to extinction by bad management, not necessarily bad management within Canadian waters and by Canadian authorities but definitely bad management in the state of Alaska and in the United States where the prime nursery grounds for the halibut reside.

I hope that this resolution will give strength to our government negotiators and strength to our government in negotiating with the United States, with the government of the state of Alaska and with Alaskan fishermen to try to change the attitude that those fishermen and that those jurisdictions have with respect to the nursery beds of the Pacific halibut.

If we do not protect those nursery beds from which the halibut originate and spread in their migratory patterns throughout the balance of the west coast, as other members have mentioned, we are going to lose these fish altogether. Anybody who has tasted Pacific halibut will know that it is one of the highest quality and value fish that we get off the west coast, second only to our salmon and herring. Again, I would like to congratulate the members who have spoken on this issue.

The problem is that the United States fishery in the Gulf of Alaska and in those critical halibut nursery areas are virtually unregulated. That is the same fishery as was mentioned by previous speakers that fished the Alaska king crab to extinction. What they are doing now is the equivalent of what was discussed several years ago in the Atlantic coast fishery. What they are doing is pulse fishing. As they fish one species to extinction, then they go on to the next species and fish them to extinction. We have to ask ourselves, when they finish with the halibut, what is the next species in line for extinction on the west coast of Canada?

This is an extremely important issue. I know that government members, official opposition members and New Democratic Party members are fully in agreement on this issue. I hope that the House will resolve itself in order to give government the authority and the voice of Parliament when it is negotiating with the United States on this issue so that we can come up with a fairer allocation of the fishery between Canada and the United States and also more appropriate methods of protecting the nursery grounds for halibut in the Gulf of Alaska and the Bering Sea so that we do not lose the halibut fishery entirely on the west coast of British Columbia.

We do not need one more species fished to extinction by bad management or by neglect in the discussions and the relations between Canada and the United States. I think on this one, Parliament should give the government the authority to take a very strong stand with the state of Alaska, a very strong stand with the Government of the United States and a very strong stand with American fishermen to let them know loudly and clearly that we would like to see this fishery preserved and that we would like to see this fish brought back from the verge of extinction.

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I would like to take this opportunity to speak to the subject matter of Motion M-305, and more specifically to the concerns of the hon. member for Nanaimo—Cowichan (Mr. Stupich) regarding the development of halibut stocks.

I would like to take a few minutes to talk about a development program that is a little better known on the Pacific coast, and I am referring to the Salmonid Enhancement Program. The program, a welcome federal-provincial project, was launched in 1977 to double salmonid stocks on the Pacific coast and bring them back to pre-1900 levels. The program was also designed to raise national income levels, create jobs, help remote coastal communities, enhance the well-being of Native peoples, and preserve and protect the environment. The program includes construction and operation of hatcheries, spawning and nursery channels, fish ladders and incubators. It applies techniques including improving habitat, stocking lakes and the use of aquaculture to raise five species of salmonids and anadromous rainbow trout.

The Salmonid Enhancement Program is expected to produce nearly one-third of salmonid production in British Columbia in the course of the last decade of the twentieth century. Is the hon. member suggesting that the program be expanded to include other species such as halibut? We must realize there are significant differences between the life cycles of salmon and halibut that would make it difficult to apply this enhancement program to halibut.

Pacific halibut is a flat ground fish that may grow to a very large size. In the northern Pacific, halibut is found from Southern California to the Bering Sea. It generally lives in deep waters, especially during the winter when it goes to its spawning grounds off the continental shelf. Halibut prefer cold waters with temperatures varying from 3 to 8 degrees celsius and have been found at depths of up to 1,100 meters.

The halibut's life cycle starts with tiny eggs freely floating in water. Fertilization is external, and the eggs hatch about two weeks later. The larvae start feeding on zooplankton when their *vitellus* has been absorbed.

During the first four or five months, juvenile halibut are carried by deep ocean currents. As the larvae mature, their specific gravity decreases. They rise to the surface and drift towards shallow waters on the continental shelf. Many are carried north by the Alaska current to the Gulf of Alaska, the Aleutian Islands and as far as the Bering Sea.

A halibut undergoes significant physical changes in the first six months. Ordinary-looking at first, it gradually changes into a typical flat fish with the eyes located on the upper side of the body.

That is when the fish begins to live in relatively shallow breeding grounds less than 61 metres along the continental shelf where it will remain for about three years, feeding on shrimp and fry.

At age three, halibuts seek deeper waters and a good many of them travel in a southeasterly direction, the opposite of their first migration towards the northeast as larvae. Some have been know to migrate over distances in excess of 6,000 kilometres. Halibuts coming back to B.C. waters are usually five or six years old. Data recorded from tags indicate that migratory stocks mix together and that no distinct population has been noted.

• (1740)

Male halibuts reach maturity at age eight, as compared to age 12 for female halibuts. The latter grow more rapidly and live longer than males do. A halibut weighing more than 45 kilograms is usually female. Specimens weighing up to 227 kilograms have been reported but the average weight of halibut caught on an ordinary fishing line ranges roughly from 14 to 18 kilograms and in an 8-to-12 age bracket. The halibut's known longevity record is 27 years for males and 42 years for females.

The halibut spawns in winter—November to March—at depths ranging from 270 to 400 metres. Spawning grounds have been spotted over wide coastal areas, but we know they are found primarily in British Columbia, Cape St. James, Langara Island and Frederick Island. Goose Island, Hecate Strait and Rose Spit are other known spawning grounds. Females lay a huge number of eggs and fecundity depends on the size of the fish.

Successful stock replenishment also depends on natural abundance cycles which seem to recur every 20 years. Halibut catches are beginning to decrease after several years of record production, so obviously the species will decline over the next few years and halibut landings are bound to be smaller than they have been in recent years.

Accidental young halibut catches are a major cause of mortality, particularly in waters off the Alaskan coast. Contrary to the larger size halibut which prefers to stay in a definite area, younger halibut less than 65 centimetres in lengh travel a lot and may be captured in many fisheries. Younger halibuts have a high growth potential and their mortality rate resulting from accidental catches may reduce significantly the strength of the mature halibut stocks over the following years.

The Government of Canada is concerned about the high mortality rate of the young halibut population resulting from trawl fishing. It should be recognized that last year the accidental catches were somewhat higher than over the past five years. The assessment of accidental catches over the 5 to 10 previous years was 1.5 higher. Canada is asking the United States to implement a conservation program and a monitoring program. I think this is one of the points which will interest my Hon. friend.

The United States have recognized the legitimacy of our concerns and support our requests for a stricter implementation program. Other initiatives such as the imposition of quotas per outing, a controlled access, changes to fishing gears, the restriction of over fishing areas and seasons, as well as the closing of spawning grounds are being considered.

As I mentioned earlier, most of the salmon stock enhancement techniques are being used in the shallow fresh water spawning grounds before the prococious parrs start their migration towards the sea where they will mature. Halibut, as I said, has quite a different biological cycle.

Salmons return to fray in the shallow water of the coastal rivers and lakes, while halibuts spawn in deep sea water. It is therefore difficult to implement enhancement activities for the halibut, a pelagic species. The same comparison applies to rearing habitats. The salmon's environment can be modified to a certain extent in fresh water, for instance by restocking lakes, in order to increase productivity but halibut rearing habitats cannot be changed.

Halibut incubation is possible and research is under way in this area. However, this technology is not advanced enough for large-scale application and there is no guarantee that efforts will lead to more abundant halibut stocks for Canadian fishermen. The future of these stocks rests with fishery managers who, as it has already been said, can take certain steps to preserve stocks and make sure that our fishermen benefit from the abundant renewable natural resources in British Columbia waters.

In closing, Mr. Speaker, I would like to assure my hon. colleague that the government objective is to protect halibut stocks in the Pacific as well as other Canadian fish stocks. In dealing with this situation, the Canadian government is working closely with our neighbours to the south, the United States, to conclude agreements aimed at protecting halibut stocks in the Pacific while ensuring a fishing activity which will allow many British Columbia communities to benefit from the economic spin-offs.

[*English*]

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a privilege for me to speak this afternoon on the motion put forward by my friend across the way from British Columbia. I am used to speaking in this House on fisheries matters that tend to pertain more to the east coast and so it is nice to have the opportunity to speak on a matter which is of particular importance to western Canada, to British Columbia.

The fishery in British Columbia is very different from the fishery we have in Atlantic Canada and certainly right now it does not face the same nature or level of problems that we face. Nevertheless, it is important that we not totally forget that the industry in British Columbia is a very important employer in a number of communities along the coast on Vancouver Island, particularly in the native communities. There is a thriving commercial fishery certainly in the context that I know it, a very strong recreational fishery, a commercial recreational fishery, a native fishery that is booming and seeing some real innovation.

The attention of the government of Canada must be maintained in that area. They too have problems. Quite often their problems are problems that we would love to have as they are more problems of allocation of resources, whereas ours on the east coast tend to be in finding the resources that we could allocate. We would certainly have no trouble in allocating fish, Mr. Speaker, I am sure you can imagine, if it were there.

The question of halibut has been discussed quite ably here this afternoon. There are a number of aspects to it. I would like to concentrate if I could on one that is of particular concern. My friends from the New Democratic Party have alluded to the Atlantic Pacific Halibut Commission. It is the organization that governs halibut and governs how we in Canada, and to some extent the United States, catch this species. It is a commission established by both governments to deal with the halibut resource in the northeast Pacific. The commission meets annually to establish quotas and to set regulatory measures and the implementation of those regulations and those quotas is up to the governments of each country.

The involvement of the Department of Fisheries and Oceans, which is responsible for Canada's role in conservation of fish stocks and also participation in international organizations like the halibut commission, is to ensure that prior to the annual meeting of the commission there is a fair amount of consultation. That consultation is not only focused simply on the particular issue of the annual

meeting of the commission, and it has an annual meeting of the Canadian participants in the fishery in advance, but also an ongoing consultation throughout the year to deal with issues that may or may not arise on a variety of things such as juvenile mortality, incidental by-catches, particularly in the Alaskan groundfish troll. We have heard a fair bit about that. It is a problem. It is something in which the DFO is involved with the industry, the unions and a number of others.

One of the most important things DFO is trying to do in consultation with the industry and discussions with those involved is to deal with the competitive intensity that we see in the industry. This has moved us more and more to shorter fishery openings. This has caused a problem that I would like to talk about. The intensity of the catch, the intensity of the season is a concern that we have for a number of reasons: the effect it has on the industry, the effect it has on conservation, and the effect it has generally on our ability to produce good quality fish considering the focus of the opening of the season and the intensity that follows from that.

• (1750)

We have seen a huge improvement in technology and larger boats and this enables huge quantities of fish to be caught in very short periods of time. In mere hours, the catch limits are caught. That, in itself, causes a problem. When we catch fish very quickly, we run the risk of not only overfishing but there is a risk of underfishing. The risk of overfishing is very clear because obviously it is in the interests of no one that we catch more than our quota and that is something to be concerned about. At the same time, it is not in the interests of fishermen that we leave fish in the water, that resources be left uncaught, when the allowable catch would have allowed that they be caught and fishermen who depend on every fish that they can catch could have had fish that was left in the frenzy of the season.

Conservation of halibut stocks is particularly important. We have talked about that here today and I think everybody would agree that there has to be a clear focus of a government department responsible for fisheries and this government department is no different. One thing that is a problem is the several millions of pounds of halibut every year which is lost as a result of abandoned gear or of juvenile or under-sized halibut that have to be put back into the water as a conservation method but which we all know is a fairly ineffective conservation method. From time to time there is illegal prospecting going on, where there are catches taken out of season. One of the biggest problems is the short, intense fishing period which heightens all of this.

The current management system reduces the opportunity for fishermen fishing other species. There are many other species that are fished in British Columbia such as salmon, sable fish, Pacific cod, and rock fish. There are halibut catches in those fisheries. There are by-catches and incidental catches. It is important that we and our friends south of the border know that we are managing that, that we are minimizing some of that and ensuring that we do not allow that incidental by-catch and do not maintain those fisheries at the cost of the fishery, generally.

There are some serious marketing difficulties that the Department of Fisheries and Oceans is involved in and which result from this high-intensity season. Clearly, one problem is the availability of high quality fresh fish. Because of the huge numbers of fish caught quite quickly, it is frozen, and with the freezing of fish there is not the availability, at all times, of fresh fish and frozen fish, whether we like it or not, does not make as good a product. As a result, we lose the optimization of the value to fishermen and those in the industry, generally.

Harvesting costs go up as more and more equipment is bought to ensure that the individual fisherman can be as competitive as possible and more crews are hired. One of the other short season problems is the risk that it provides for a fisherman, who perhaps for reasons of ill health, weather, or a breakdown of gear, cannot get into the fishery and prosecute it in that intensely short period of time and he or she may be left out totally. It is also important to recognize the safety concerns.

We have some experience in British Columbia and particularly on the east coast with enterprise allocations. Hon. members are well aware that in the mid seventies the enterprise allocations program in the eastern Canadian cod fishery was developed so that we would avoid this highly competitive and highly intensive attack on the stocks. Frankly, it is in the interests of those in the industry, those who fish and those who work in fish

plants. If we can spread the work out over a greater period of time, there is an interest in doing that.

Obviously, what I have said is not going to be supported by everyone. There is much controversy about moving into a limited entry fishery or a more specifically managed fishery. It is something that changes the way things have developed. Obviously, it will affect some enterprises and some fishermen. I do not think the Minister of Fisheries intends to move immediately or quickly on any of these issues. They are issues that are important to discuss as we look at the conservation.

Mr. Milliken: He never moves quickly on anything. I don't know why he would move quickly on this one.

Mr. Reid: My friend opposite, who not 10 minutes ago admitted he knew nothing about the halibut fishery could not keep himself quiet for more than 8 minutes. But I think that is a great credit to him.

I do want to allow what I think is a very important speech. One of my colleagues is very anxious to say a few words on the halibut fishery. Those of us from one coast or another tend to dominate discussions on the fishery. One of the things we have tried very hard to do is to raise the profile of the fishery, particularly the Atlantic fishery. I know my friend opposite is keen to see the Pacific fishery become of interest to Canadians from all parts of the country.

Mr. Milliken: Get the Minister of Fisheries working.

Mr. Reid: My friend from Calgary Southeast is very keen to contribute to this debate. I think it speaks well of my colleagues who are interested in the industry and the problems. I, like all members, perhaps except for the member for Kingston, am very anxious to hear what he has to say. I know he will get the full attention of all members. I am very pleased that he is participating in this debate.

Mr. Milliken: On a point of order, Mr. Speaker. Like the hon. member for St. John's East, we are most anxious to hear the next speech. In fact, I can indicate on behalf of the opposition that we would be prepared to have Your Honour not see the clock so we could complete discussion on this motion. It seems that everyone is in agreement. I know the hon. member who is about to speak and I would like to hear his speech. I am prepared to give consent to sit here later if we could conclude the debate. I will sit until nine o'clock if it would assist. I just want to make that clear.

Mr. Reid: Perhaps it would be inappropriate for me to comment on such silliness, Mr. Speaker, but I thought it would help you. I cannot comment on how unanimity is determined across the way just now, but I would like to thank my hon. friend from Kingston. I think my friend down from Calgary can carry on and we will see how it goes. A wink and a nod, even to a blind member of Parliament and we might get somewhere.

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I must say that I quite enjoyed the remarks of the hon. member for St. John's East. I listened with interest to the concern he expressed for the west coast fishery. Here is a member from Newfoundland expressing his concern and sharing our concern as westerners with our west coast fishery. The member knows the problems of fishermen. We in this house are all aware of the tireless efforts of the hon. member for St. John's East on behalf of the fishermen of his province. Now he is expressing his concern for the fishermen on the west coast as well.

Mr. Milliken: He is trying to get the Minister of Fisheries to do something.

Mr. Richardson: Well, if he does it will be to the credit of the hon. member for St. John's East who has always had the interests of fishermen at heart.

As a matter of fact, last summer, the hon. member for St. John's East invited me to his riding and around Newfoundland to visit the fisheries. Together we went to visit fishermen to hear first-hand their interests. He thought it was important for a fellow from the prairies, from the Rocky Mountain province of Alberta, to understand first-hand the concerns of fishermen. It was a great insight for me, as I think it would be for all members. If the hon. member for Kingston who has entered this debate in part today would take the opportunity, I am sure at the invitation of the member for St. John's East, would go and visit the fishery, he would not be so flippant in his remarks about the difficulties the fishermen are experiencing.

I would like to express my pleasure in speaking on the Pacific halibut fishery. Conservation of halibut stocks has been a priority in the administration of the Pacific fishery and will continue to be a priority as the abundance of halibut stocks decline naturally and as the capacity of the fleets to catch halibut grows.

• (1800)

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ECONOMY

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, it is a pleasure to have the opportunity again to condemn the government for its savage and unthinking cuts to aboriginal communications. Ordinary Canadians throughout the country have reacted with shock and dismay. Aboriginal Canadians are outraged.

What makes these cuts so offensive is the way they were announced, with no warning and no time provided for the aboriginal communications societies to find alternative sources of funding. In addition to the suddenness of the cuts are the inevitable comparisons to what did not get cut in this budget.

The government will be spending millions of dollars on goods and services tax advertising, or propaganda. It bought some stripes for the National Gallery for over $1 million. It wrote off millions in Third World nations' debts but slashed and eliminated funding for aboriginal political organizations and communications.

The government does not comprehend the vital importance of aboriginal communications to aboriginal people. It has blinders on when it comes to languages other than the country's two official languages.

The Prime Minister promised, in 1985, that programs for aboriginal people would not be cut back. Let me quote from the Prime Minister's press release of April 18, 1985:

> Current funding levels of programs designed to correct the serious inequities which exist for native people in native communities will be maintained.

He went on to say:

> Policies regarding aboriginal people will be made after open, public consultation, especially at the grassroots level.

The Prime Minister also said in the same statement that "the special relationship between Canada and the aboriginal people should be strengthened".

All of these beautiful sounding promises and commitments have been broken in the recent budget.

The serious inequities that the Prime Minister mentioned still exist. They have not gone away since 1985. In fact, many of them have been made worse by the government's actions. The rate increase by Canada Post on food mail shipments to northern and remote communities is but one example.

The government's own documents attest to the continuing disparities. Last summer the government released its aboriginal economic development strategy. I will quote some figures from the government's own strategy paper:

> By all measures of socio-economic disparity, the 600,000 people who identify themselves as aboriginal continue to be the most disadvantaged group within Canadian society. Employment rates among the aboriginal working-age population have been about 45 percent compared with 63 percent for the non-aboriginal population. Of those employed, incomes are up to a third lower than levels for employed non-aboriginal people.

> Almost 30 percent of aboriginal individuals aged 15-24 have less than a grade 9 education, compared with 7 percent per cent for their non-aboriginal counterparts. More than 76 percent have neither completed high school nor pursued post-secondary education, whereas the corresponding percentage for non-aboriginals is 44 percent.

Despite these low education and employment statistics, the government capped post-secondary education funding.

In the area of health, serious inequities persist. A recent report of the Canadian Institute of Child Health confirms the continuing problems.

The aboriginal mortality rate from injuries and suicides, hospitalizations due to respiratory diseases and pregnancy complications remain much higher than the national average. Life expectancy for aboriginal people is still much lower than for non-aboriginal people. Aboriginal children born in the late 1980s will live, on average, 68 years. Other Canadian children can expect to live 76 years.

• (1805)

The aboriginal infant mortality rate is double the national average. Aboriginal children have consistently higher death rates due to injuries. Aboriginal teenagers have a suicide rate seven times higher than the total Canadian rate. Tuberculosis and other infectious conditions disproportionately affect aboriginal people.

The Canadian Institute of Child Health report states that "we have a Third World problem within our society" in terms of the health disadvantages of aboriginal children. The pattern of disease among Canada's aboriginal people resembles the main killers of the developing world.

The Prime Minister and the government can hardly argue in the face of all of this evidence that disparities no longer exist between aboriginal people and non-aboriginal people. So why was the funding cut for aboriginal communications and organizations?

As for the consultation promised by the Prime Minister—open public consultation at the grassroots level—there was none. Instead, the government has set up a task force after the cuts were announced. The task force is to assist aboriginal communications societies to diversify their funding and revenue base.

The government totally eliminated the $3.5 million Native Communications Program in the February 20 budget. It slashed funding under the Northern Native Broadcast Access Program by 16 per cent or $2.2 million. A broadcast distribution fund of $800,000 was suspended. All this means a potential loss of 180 jobs, aboriginal jobs in a communications field which is unique and cannot be replaced.

The Canadian Human Rights Commission last year said that Canada's treatment of aboriginal peoples is a national tragedy. Today the Canadian Human Rights Commission said it has no reason to alter its judgment. The commission's press statement of today states:

> If there is any single issue on which Canada cannot hold its head high in the international community, any single area in which we can be accused of falling down on our obligations, it is in this area of aboriginal relations.

The minister would be well advised to read the human rights report which was released today.

Adjournment Debate

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, since there has been criticism of the budgetary cuts in the native programs administered by the Department of the Secretary of State, I would like to remind members of other quite substantial funds still being made available from that quarter.

Even after a cut of 5 per cent the 99 Friendship Centres serving native people in urban areas will be receiving $17.4 million.

The Aboriginal Representative Organizations Program will still receive $8.2 million in the form of sustaining grants to organizations representing aboriginal people.

The Department of Indian and Northern Affairs which, already gives considerable funds to status Indian organizations, has seen its budgets increase from $1.4 billion in 1984–85 to $2.3 billion in the current year. Another 32 native organizations will still be receiving sustaining grants from the Secretary of State. The funding these organizations receive will be reduced by between 7.5 per cent and 15 per cent. The department will still be providing $11.3 million under the Northern Native Broadcast Access Program to enable native organizations to produce and broadcast on regional radio and TV in the north.

In addition, the department has provided over $1 million in transitional funds to all organizations whose funding was eliminated under the Native Communications Program. This money is to assist the native communications societies in diversifying their funding base.

Finally, the Secretary of State will continue to provide $2.2 million for aboriginal women's programs and $1 million for social and cultural development. These programs are not affected by our restraint measures.

There is no question that the decisions about funding reductions have been difficult ones to make in the Department of the Secretary of State as well as elsewhere, but programs have been preserved which served the neediest client groups. That seems to be the fairest possible way to handle the reductions we must make in government spending.

• (1810)

This principle can be seen at work in other departments. Money and social services goes up $77 million in

one year. There will be $59 million more for education. Health services for native people are being given an additional $35 million. The economic development program in Indian and Northern Affairs will get an increase of $93 million, which is 40 per cent in one year. In total, other support is increasing by more than $200 million in a year when government services elsewhere in the country are holding the line or being cut.

Finally, when we look at projected capital expenditures on behalf of native people, we see even more strikingly the high priority given to their needs. As one example among many, the budget allots $592 million for on-reserve facilities and related services, an increase of $28 million over the current year. The government's sustained commitment to the well-being of our aboriginal community and culture is clearly evident. All together, government funding for aboriginal programs will rise to more than $4 billion in 1990-1991.

To conclude, difficult decisions are sometimes needed to solve our deficit problems, but the handling of native programs has been as fair and as a balanced as possible. I am sure we would not want it any other way.

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, it is a pleasure for me to have the opportunity to elaborate on the question that I posed the Minister of Fisheries on Thursday last, March 22.

The question had to do with the dumping at sea of large quantities of fish by offshore fishing trawlers. I had made reference to the minister's visit to Canso soon after he assumed his portfolio in late February when he met with a group of trawlermen from Canso, Nova Scotia. The trawlermen presented him with tangible evidence of fish being dumped at sea.

I am not talking about the discarding the fish at sea. That is a current practice in offshore fishing activities, of taking a load of fish in and culling the catch that is brought on board by a trawler. I am talking about another practice, which is dumping the fish at sea. That is the practice of releasing a large quantity of fish caught in the large trawler net. That is a much more wasteful practice and that is the practice which the trawlermen were bringing to the attention of the Minister of Fisheries. They had photographs and other evidence to demonstrate their case.

This is a controversial issue. The offshore fishing companies like National Sea have been denying that large-scale dumping occurs. The government officials of DFO have been denying that large-scale dumping occurs. While they admit that there is some form of discarding that takes place, they say it is a limited degree of high grading, that it is controllable, and that is not happening at an unreasonable rate or at least that they cannot get a handle on it.

We have to understand the position of the trawlermen. These trawlermen go out for nine days with the cloud of the closure of their community and the loss of their jobs over their heads. Their whole livelihood is at stake. The government and the companies are telling them that there are no fish. They are catching vast quantities of fish and are obliged to throw those fish overboard. These are the same fish that could be processed in their community. At the same time, the plant that they fish to is closing its doors.

You can understand the frustration of the trawlermen in Canso, Mr. Speaker, when they brought this to the concerns of the minister. They were frustrated even more when the minister seemed to shuffle-off their concerns after a month.

• (1815)

I am glad to bring this matter to the attention of the House. I want to advise the House that it is not only the trawlermen at Canso who have raised these concerns. The report of the Senate committee on the marketing of fish in Atlantic Canada recommends that "statements made to the committee by many fishermen indicated that large but unknown quantities of potentially valuable fish were being caught and routinely dumped at sea because they were either too small or incidental to the species sought." These are trawler boats travelling at sea looking for one species, such as cod and get a large quantity of another species. They do not want it so they pitch it overboard. As a result, this fish is wasted.

To give you an example of the extent of this practice, it is as if we finally started bringing oil from Hibernia and dumped two-thirds of the oil back into the ocean. That is the degree of the practice we are talking about.

This is a controversial issue and we need more information. First, it is very important that we recognize, as the Senate recommends, the potential seriousness of the issue and we take steps to get the facts.

The Minister of Fisheries should take the matter seriously enough to be willing to get facts to determine the extent to which this is happening. What are the causes? What are the incentives to the companies and to the trawlermen who are allowing this practice to happen.

Second, we have to take a new attitude towards commercial fishing as we have towards other activities such as forestry or manufacturing and view this activity as an environmental activity. Its profound concerns for the environment, commercial fishing and the practices of commercial fish companies have to be subordinate to the broader issue of the environment and the status of our resource.

We will have to bear the cost of taking all the fish we catch and not leave some at sea because that fish is not particularly valuable at that point in time given the market situation.

I will close now and I welcome the response of my colleague opposite to this very important issue.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a pleasure to respond to my hon. friend because he knows of where he speaks and raises an interesting concern.

I am sure he does not suggest that the habit of culling or selective dumping is one that we should encourage. It is abhorrent to dump any resource. There is no question that it goes on. To say that two-third is dumped is a bit out of whack.

I was with the Minister of Fisheries when he was in Canso, Lockeport and Gaultois. I travelled across the country with him. It was clear that the trawlermen who make their living on trawlers are very conscious of conservation. They are very conscious that they are a part of a system that from time to time abuses the resource. They are very specific on that matter.

My friend opposite is right to the extent that officials in the Department of Fisheries say that when there are observers on the ships the discard level is between 2 per cent and 5 per cent. The trawlermen said that when the observers are on the ship the discard levels are about as observed, but when the observers are not on the ships it is significantly higher.

The Haché Task Force made very clear and the government has agreed that there must be much greater—and I would suggest 100 per cent—observer coverage on the trawlers. My friend talks about information. It is important that the Department of Fisheries and the industry has information on the catch, rapidity of catch, the bi-catch and the times. Those things are important.

The Haché report makes very clear that that is important. I think today on the Scotian shelf, observes cover about 50 per cent. In the North Atlantic fishery it runs about 80 per cent. Northern cod are running 100 per cent. So it balances itself out.

• (1820)

It is incumbent upon the Department of Fisheries—the industry and others will have to be involved—that we move to 100 per cent observer coverage. I hope that addresses the problem.

The minister was very moved by what he saw in Canso. He went to his department as soon as he returned and asked what is going on? He is very conscious of it. I think you will see that in his actions over time as we come to grips with this sort of problem. We cannot under any circumstance condone the waste of this resource, particularly when we are in such difficult situations as we are now.

TOURISM

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, on February 14 I asked a question of the Minister of Tourism to the effect that the new GST would have a detrimental effect on the tourist industry in this country.

The minister answered that it was not an additional tax facing the tourist industry but the replacement of the old tax.

The fact of the matter is that I could have brought to the House this afternoon countless letters which I have in my office and could table if necessary. These letters concern the difficulties the tourist industry will have with the GST.

I have had calls from travel agencies that tell me it will be very difficult to package tours from the United States into Canada because each individual tourist from the United States or from other countries in the world who come to Canada will have to make out individual rebate

slips. People who come to visit this country do not want to do paperwork.

I would like my hon. friend who will answer these questions if he has elaborated the special rebate? It was supposed to be a global rebate rather than individual tourists filling out a rebate slip. I would like to know if there are any developments in that regard.

Some of the letters I have received mention the fact that if a tourist comes to Canada and does not spend a minimum of $300, be it in restaurants or buying a gift, they cannot have a rebate. Statistics have shown that the tourists coming to this country from the United States when adding up their restaurant bills and money spent on small gifts or souvenirs may not reach the minimum because people who watch their spending are going to be very sensitive to the additional 7 per cent tax.

[*Translation*]

I will be brief, Mr. Speaker, because I do not wish to make the question too long for my hon. colleague opposite who has to answer it. He will understand that the tourist industry has had rough times in the last two years. Let us not get into the causes. There may be many reasons why tourism has gone through some difficulties in Canada.

I would submit that the Minister of Tourism should make the Minister of Finance aware of the fact that this tax, as its stands, will certainly cause problems for the organizations and the people who organize tours of our country for visitors from all over the world, which are commonly called package tours.

• (1825)

You will therefore understand the concerns expressed by the Tourism Industry Association of Canada in the letter I received from them, among others. As a matter of fact, they came here on February 11 or 12, or was it the 14. I do not remember the exact date. They have voiced numerous times their concerns regarding this tax and were not satisfied with the answers they were given.

Essentially, based on all the letters and all the phone calls I have received, the tourist industry is asking if it would be possible to get a rebate. The businesses would like to know if the companies organizing tours, be it in a given province or across Canada, for a week, two weeks or a month, could themselves apply an overall rebate. That way, each visitor from outside the country could benefit from that rebate. If that were allowed, the package tours from all over the United States would not be affected by the tax. That is perhaps one of the concerns expressed by the industry. There are many more, but this is one of them.

I will have the opportunity, in the weeks to come, to elaborate further on the questions I asked the minister of Tourism. However, for now, I would appreciate it if my hon. friend could explain to me if there has been any new development regarding this special rebate. Will tour companies in Canada be able to claim the rebate collectively for the tourists? Will the government eliminate the $300 minimum required in order to be eligible for the rebate?

[*English*]

Mr. Barry Moore (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member and the Liberal party do a disservice to the tourism industry by misrepresenting the impact of the GST on the tourism industry.

Every single study on this subject supports the findings of the Tourism Research Institute of the Conference Board of Canada. The facts are that tourism in Canada will continue to grow every year under the GST. After the third year of implementation, tourism will grow faster with the GST than without it. Those are the facts.

[*Translation*]

Two major reasons support these optimistic projections. First, the fact that Canada will become more competitive as a result of the GST and will allow industrial sectors to secure and maintain their share of the market. Therefore, the GST will ensure economic growth.

[*English*]

Second, and most important for the tourism sector, the Minister of State for Tourism working closely with the Minister of Finance and the Minister of National Revenue have designed the GST in a way that recognizes the importance of tourism to the Canadian economy.

We will have a GST rebate for international visitors which will extend to both accommodations and purchases. We are the only country to offer a rebate to international travellers for accommodations. Except for transport or air services to the continental United States, inbound and outbound international passenger transportation will also be zero rated.

Other measures being looked at to ensure the rebate system is user friendly include simplifying the administrative aspects for tour packages, as the hon. member had mentioned, and conventions where accommodation is offered as part of an all-inclusive package of services.

In addition, tourism operators will for the first time be able to claim input credits on business purchases which will reduce the price impact of the GST by 2 per cent to 3 per cent.

In designing the GST, the government has recognized tourism as an export industry, an industry with enormous potential for expansion and job creation. We have worked hard with the industry to ensure that tourism is in the best position to benefit from the new tax system. We have succeeded, and the hon. member should recognize that.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, March 30, 1990

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTED DAY S. O. 81—THE ENVIRONMENT

Ms. Sheila Copps (Hamilton East) moved:

That this House condemn the government for its lack of a sincere commitment to the environment and for its vacuous discussion paper which completely fails to offer the concrete action that all Canadians would like to see implemented and, therefore, call on the government to end the rhetoric and to introduce a truly substantial environmental action plan.

She said: Mr. Speaker, as you know, we as members of the opposition tend to make political speeches and indulge in political rhetoric from time to time. However, when the Minister of the Environment was appointed by the Prime Minister, we had high hopes that he would be able to further the cause of the environment within the Conservative Party.

In 1984, the Prime Minister claimed to be concerned about the environment, but between 1984 and 1988, he started slashing funding—as much as 95 per cent in the budget for alternative resources.

[*English*]

We had a lot of hope for the Minister of the Environment when he was chosen by the Prime Minister. He was supposed to be a great friend of the Prime Minister. He was supposed to be close to the Prime Minister. He was supposed to be the minister who could put environmental action on the map in so far as this government is concerned.

In actual fact what we have seen is not only a first term chequered by environmental cuts, hatchet jobs and axes but we have seen a year and a half in the second term of a majority Conservative government in which the new Minister of the Environment has done nothing more than talk about what he might do for environmental change.

He started off with a 200-page document which actually had some teeth.

[*Translation*]

This particular document mentioned some real solutions for dealing with PCBs and proposed a new energy consumption policy for Canada. Mr. Speaker, perhaps the Minister of the Environment is trying to cut back on garbage, because today, what we have is a mere 30 pages that are more or less garbage, don't mean a thing, and demonstrate that we Canadians are the most wasteful country in the world and the country that consumes the most energy. Whether we are talking about electricity, water or any source of energy at all, Mr. Speaker, Canada is one of the most wasteful countries in the world, and I think it all starts here in the House. We know that words are wasted, because we just saw a member who was afraid to speak himself because he didn't want his own comments and environmental issues to be on the record. He is ashamed of his government's record on PCBs.

• (1010)

[*English*]

He is ashamed of his government's record on PCBs. He is ashamed of his government's record on oil spills, particularly oil spills off Vancouver Island.

I am sorry if his government has made Canada the dumping point of American refrigerators. You can walk through any—

[*Translation*]

—dump in the province of Quebec and you will see refrigerators full of CFCs in Canadian dumps, because the Government of Canada thinks it is good business to bring garbage from the United States to Canada.

An hon. member: Shame!

Ms. Copps: Not only are we the Americans' dumping ground when it comes to our foreign policy, but now we are literally their garbage can.

What we expected from the environment minister, Mr. Speaker—and I know that it is very hard for the hon. member to face facts, because the hon. member for Abitibi is really caught now; the GST has 17 per cent support in the polls and 17 per cent is very low. I know it is hard when you have an "environmentalist" government.

I remember very well, Mr. Speaker—the Prime Minister himself said so last week and again yesterday in the House—I was shocked to hear him say that he had created the policy to clean up Hamilton Harbour.

Mr. Speaker, I had something to say about that, because as you recall, Mr. Speaker, the Hamilton Harbour issue dragged on for three years. The Prime Minister did not want to do anything. It took a by-election to get something done. It would be good if we could have by-elections in all ridings every year—then we might have an environmental policy. But we cannot wait for the government to make little promises during election campaigns.

For example, Mr. Speaker—

[*English*]

Listen to this if you want a chuckle, Mr. Speaker. Thank God it is printed on recycled paper because it is going to be used for many other things.

> Canadians need to explore the ways governments, industry and individuals can best contribute to a 50-per-cent reduction in waste.

Do you know what they want to do to reduce waste in government? They want to open an office of waste management so that they can put out more paper.

They are actually talking about opening an office of waste management to examine ways of how we can cut down on our waste.

In this document national regulations to control packaging and to require recycling are an option. On an issue as important as over-packaging, which is something that every consumer understands and every consumer is revolting against, why do they not introduce national regulations on the controlling of packaging and then let the public have a discussion?

[*Translation*]

We are not against a public debate, Mr. Speaker. Since 1984, the Conservatives have been promising a debate on it, but they do not have the courage to take a position on such an important issue as packaging.

[*English*]

The issue of the controlling of packaging is only one of the elements that has been raised in this document. Once again, they talk about, for example, the greenhouse effect. They ask themselves whether or not we should be developing on a national basis greenhouse gas emission targets.

We do not have time to ask ourselves that question. Of course we must establish greenhouse gas emission targets. We must set them in regulation so that Canadians can then have some input into what level they might be set at. But this document is nothing but a stall tactic.

[*Translation*]

I can see very clearly that the government will hold public hearings across Canada from now until June, while the debate goes on. But what will it do next fall? It will bring in an environmental policy that will take effect after the next federal election.

But the people of Canada believed the Prime Minister when he went to Burlington—

[*English*]

When the Prime Minister came within breathing space of my riding—he did not dare go into my riding—he actually went to the Canada Centre for Inland Waters and said that he was the environment Prime Minister for Canada. He promised that he would bring forward a green policy that would make Canada proud in the international arena for having a real green policy. Instead, what he has dropped with this document is a green bomb which does not give a single substantive piece of action on issues like greenhouse gases, global warming, old growth forests, national parks, water or energy.

This government does not have the guts to come forward with a single substantive policy because all it wants to do is talk out the clock. It would be amusing to watch the government talk out the clock if it were not for the fact that the global clock is ticking.

Friends of the Earth, along with a number of environmental groups across the country, put forward a document called "The Green Print for Canada". It has some teeth in it, although it is not a perfect document. There are some additions, omissions and addenda, but it is the basis for real environmental discussion, which should have been the basis for the document tabled by the Minister of the Environment.

I am not surprised that the Minister of the Environment was afraid to come into the House to defend his policy. It is an embarrassment. It is a recycled bunch of old promises that could verily be characterized as a green bomb for the Minister of the Environment and the Prime Minister.

[*Translation*]

You remember, Mr. Speaker, when the Prime Minister appointed the environment minister, we talked about "mini-bouche" and "maxi-bouche". We know that "maxi-bouche" changed places and became transport minister—You know, Mr. Speaker, this document actually talks about a transport policy at the same time as the government cut VIA Rail!

[*English*]

They cut VIA Rail only a few months ago. Now they have the audacity to suggest that we should have a national transportation policy that reflects a clean environment. If anybody had seen the environmental assessment that was allegedly an addendum to the VIA Rail analysis, one could see quite clearly that they went ahead with the VIA cuts with absolutely no consideration for the environmental impact.

If any Canadian has had the displeasure recently of motoring between Windsor and Montreal in the so-called corridor area, they will know that with the increased traffic in the Toronto-Niagara belt alone we are choking in our own carbon dioxide fumes. We do not need more talk. We do not more questions. We need some specific emission reductions. We need some specific targets.

This document should not be a document asking questions. It should be a document providing answers.

Some hon. members: Hear, hear!

[*Translation*]

Ms. Copps: Mr. Speaker, I think that any Conservative whose heart is in the right place, because there must be some—

Mr. Gauthier: Not many.

Ms. Copps: There are very few, but there are some. The right-minded Conservatives who are, for example, actually against the GST, who are against the government's policy of giving everything to the big cities—

Mr. Langlois: Like Hamilton?

Ms. Copps: —and nothing to the small towns of Canada. Those who are against the policy of—

[*English*]

—killing small town Canada. I am sure that all those members want to support our motion which calls upon the government to bring forward a substantive environmental policy with real teeth.

This is not a sincere commitment to the environment. It is a completely empty, vapid, vacuous discussion paper. We have had too many discussions. It fails to offer the concrete action that was promised.

Do you remember the great dreams that we had for Lucien Bouchard, the Minister of the Environment? He came in and in the first week he said he was going to sweep the federal House clean.

Mr. Boudria: Mr. Clean, Mr. Clean.

[*Translation*]

Ms. Copps: Lucien Bouchard was able to overturn the decisions of any department.

[*English*]

He claimed that he had the divine authority of the Prime Minister to act on every single environmental dossier in the government. In fact, when the test came on the Rafferty-Alameda, who proved to have the guts and the capacity to uphold our laws? It was not the Minister of the Environment. It was not the Prime Minister. The Canadian Wildlife Federation had to take it to the courts on two occasions. It was not the Minister of the Environment who defended the right of Canadians to have a real environmental assessment before any megaproject of that nature was to be proceeded with. That particular right, that responsibility was totally abdicated by the Minister of the Environment and it became a responsibility for the courts.

• (1020)

Now, in this document, the Minister of the Environment says that he is going to make sure that future federal laws are respected and are strong enough to withstand the test of time. What we believe, and it was alluded to yesterday in the very excellent question by the member for Davenport, is the reason he wants to revise the requirements under the Canadian Environmental Protection Act is because he wants to make it easier to flaunt the law, to get around the law, to find the loopholes in the same way—

Ms. Campbell: Flout, not flaunt.

Ms. Copps: Flaunt, not flout. You may be a floutist. I say he is flaunting.

Ms. Campbell: If he is flaunting it, that means he is brandishing it.

[*Translation*]

Ms. Copps: It is incredible that she is more interested in words than in real ideas. That is more or less the problem with the ministers in the Mulroney government: they are not even prepared to accept a court ruling as in the Rafferty-Alameda case that they have to abide by their own laws which they adopted so that there is at least an environmental assessment of all big projects.

[*English*]

It is not too much to ask. I am sure that all of those on the other side of the House who believe in a green Canada would realize that if we truly endorse the concept of sustainable development, if we truly recognize the meaning of Brundtland, then we must believe that the federal government must have the power of environmental review in every major megaproject of the nature of the Rafferty-Alameda. It seems to me that in the Rafferty-Alameda dossier we have a very good example of how the Minister of the Environment talks a very good game when it comes to the environment but is unprepared to act.

I think it is a tragedy that in the Rafferty-Alameda decision it was not the Government of Canada and the Parliament of Canada that protected the rights of the people to a full and fair environmental assessment, it was the courts. Now the Minister of the Environment is coming in with a proposal to water down the provisions of the law that require the federal government to undergo a full environmental assessment. He is parading that under the guise of strengthening the law, when in actual fact the two successive decisions of the court have shown that the law provides the protection. It is the government that is not prepared to act when it comes to truly carrying out the responsibilities it was given under the Canadian Environmental Protection Act. The Canadian Environmental Protection Act is one way of ensuring that Canadians' rights to a clean environment are protected. But we need to go a step further.

Absent from this discussion paper—this vacuous discussion paper—is the capacity of Canadians to sue the government. I think we have to examine the possibility of class action legislation which will permit any Canadian to be granted intervenor status. When the air we breathe is poisoned and when the water we drink is full of toxins to the point that in the latest report of the International Joint Commission for the first time a direct link between neurological damage in human beings and the poison in the water we drink has been discovered, then we have the right and a responsibility as a society to make sure that every Canadian can pursue the government with the full intent of the law when the government fails to respect its own laws.

We recreate in the forests that absorb the greenhouse gases. Every time a tree is felled it does not touch one person, it touches all Canadians. We have a right and a responsibility as a society to make sure that every Canadian can pursue the government with the full intent of the law.

I can understand why this Conservative government would not want to move with an environmental auditor, in the same way as the Auditor General has shown himself to be independent of government.

[*Translation*]

I think that if we had an auditor general for the environment, like the auditor general we have for financial matters, we would have something specific that would give Canadians an opportunity to complain about the departments without dealing directly with the government.

[*English*]

We need some very specific legislative changes to reduce waste, not only in the disposing of waste or in finding ways of dealing with the toxins that we create but also to reduce waste at the input level. We need to develop solutions to the crisis that makes Canadians the

most wasteful people in the world. The solutions do not revolve around more questions.

We know that we are over-packaged in Canada. We know that when we pick products off the grocery shelf, in many instances there is a box within a box within a box. It is very simple to introduce regulations which could be subject to a broad range of public discussion. They should be real regulations to see not only recycling but reduction of waste at the input level.

One of the shocking omissions in this document is that there is no very specific plan for waste reduction at the federal government level. I commend the Speaker of the House of Commons who, in a very non-partisan way, has embarked upon the most progressive form of energy analysis in the House of Commons. Working in tandem with the environment committee the Speaker of the House has shown himself to be very green.

We are sitting in a green chamber. Is it not about time that the good will and the forward thinking that was demonstrated by the Speaker of the House be translated into action in all federal government departments?

We are not only talking about regulations that must be brought forward to deal with garbage and waste at the private sector level and at the community level. We must lead by example. That example is not in recycled promises, or what I would refer to as the green bomb of Lucien Bouchard, but rather real solutions to the real problems that are facing Canadians and for which the clock is ticking.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my compliments to the hon. member for Hamilton East. The hon. member said earlier that perhaps we weren't allowed to talk about the environment, so I have a comment. I have here some of my remarks made in the House in April 1989: objections to transfers of toxic waste in Abitibi.

Mr. Gauthier: Who wrote that one for you?

Mr. Saint-Julien: Another one on September 1988: the importance of setting up a national program to deal with PCBs.

Mr. Gauthier: Lucien wrote it, and he isn't even here to listen.

Mr. Saint-Julien: All my statements on hazardous substances: PCB storage sites in Abitibi—Témiscamingue; the need for more protective measures in Abitibi; hazardous substances—people are asking for action to prevent storage of PCBs; the environment—another statement, Mr. Speaker. Another one: spill of viscous liquid in Abitibi. And there are many more. The concerns of Canadians.

The hon. member for Hamilton East said ealier that nothing was being done in Abitibi. I have another one here: transportation of hazardous substances. And last but not least, I have decided to send only one householder a year to save Canadian taxpayers's money. The one I sent this year was about a global perspective on local environmental issues, in English and in French.

Mr. Speaker, I would like to make a comment to the hon. member for Hamilton East about PCBs in Canada. The only government that let PCBs enter the country were the Liberals—for 20 years. As for the Green Plan—

Mr. Gauthier: Mr. Speaker, on a point of order.

[*English*]

The Acting Speaker (Mr. Paproski): I can see that this is Friday and that it is going to be a very wonderful debate. I think the hon. member should have at least a couple of minutes for comment and then he will put his question. But I will listen to the hon. member for Ottawa—Vanier first.

[*Translation*]

Mr. Gauthier: The debate must be genuine debate, so the Speaker must be firm. He did not ask his question. He is making a speech. He only has 10 minutes and he is wasting his time, and I wish he would put his question. He doesn't know what he is talking about. He doesn't even have his text in front of him.

• (1030)

[*English*]

The Acting Speaker (Mr. Paproski): Would the hon. member please put his question, and then I will recognize the hon. member for Hamilton East.

[*Translation*]

Mr. Saint-Julien: I don't need a text to tell you that for 20 years, the Liberal government sent us nothing but "b.s".

Mr. Speaker, my question is directed to the hon. member for Hamilton East whom we haven't seen in the House for months.

Mr. Gauthier: Who?

Mr. Saint-Julien: The hon. member for Hamilton East who, I am glad to see, is in the House this morning.

Mr. Gauthier: She was here yesterday but you weren't.

Mr. Saint-Julien: I hope I get a chance to put my question.

[*English*]

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Ottawa—Vanier.

Mr. Gauthier: The member knows the rules require that you not allude to the presence or absence of members in the House. I want to remind the hon. member that yesterday the member for Hamilton East was here. Where the heck was he?

Mr. Boudria: Where was the Minister of the Environment?

The Acting Speaker (Mr. Paproski): If the hon. member would please put his question, we will try to get an answer for him.

[*Translation*]

Mr. Saint-Julien: Mr. Speaker, at last. Actually, I haven't seen the hon. member for Hamilton East in a long time. In any case, is the hon. member for Hamilton East—

Mr. Gauthier: Can't you ask questions that make more sense? You should come here more often.

Mr. Saint-Julien: Is the hon. member capable of travelling across Canada with a list of proposals for every provincial Environment minister? The hon. member makes her comments here in the House, but it would be nice if she could meet with every single provincial Environment minister within the next two months and come up with some sound proposals for the provinces.

Ms. Copps: Mr. Speaker, I wasn't here because I was very busy in Abitibi, convincing them to replace the hon. member with a decent member in the next election.

Mr. Saint-Julien: You never went to Abitibi.

Ms. Copps: When we look at the major environmental issues the hon. member for Abitibi has been pursuing, it all goes to show how much clout his comments have within the Conservative Party. He has made a lot of proposals. He told us earlier that he spoke on a variety of subjects. So it is unfortunate that his government did not see fit to consider at least one of his many proposals.

Mr. Saint-Julien: At least I made some suggestions.

An hon. member: Nobody listens to him! He has no clout!

Ms. Copps: Nobody listens to him, not even his own caucus. And incidentally, if he is so knowledgeable about PCBs and other issues, he should know that in 1985, the former federal Environment minister proposed a national strategy on PCBs, to be launched by the federal government, not by the provinces. This was almost five years ago, and the government has not moved on this issue. He wants to blame us for a policy that was promised by his government in 1985, and now it is 1990 and we are still waiting for a policy on PCBs. I think the hon. member for Abitibi should work a little harder and work on his ministers, since the Minister of the Environment just isn't listening to the hon. member's demands.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I agree with the hon. member for Hamilton East.

Mr. Saint-Julien: Sure. What about PCBs? PCBs are "b.s".

Mr. Edmonston: I realize that pollution is a problem that worries all Canadians, and I also realize that the Green Plan is a lot of garbage, to avoid the term used by the hon. member for Abitibi (Mr. Saint-Julien). Since the hon. member for Hamilton East refered to what should be done, she must be aware of a problem faced by all political parties—donations and the companies that finance political parties.

Mr. Saint-Julien: And the unions.

Mr. Edmonston: The hon. member seems to think it's funny, but I am serious—

Mr. Saint-Julien: So am I.

Mr. Edmonston: —because it causes a conflitct of interest for political parties. I want to congratulate the hon. member for Hamilton East for raising this issue during her leadership campaign—

Some hon. members: Hear, hear.

Mr. Edmonston: —where she said that to request a maximum of $1.7 million was absolutely shameful, especially for the Liberal Party, and I agree wholeheartedly.

My question for the hon. member is as follows: Since corporate donations may cause a conflict of interest for your party, is there a possibility that all your plans and ideas which theoretically are quite good might lead to a situation where you would be powerless to act, as you were before 1984?

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I don't know whether the question is in order, but I think it is good question, because if anyone is hypocritical about the issue of donations, it is the New Democratic Party.

Some hon. members: Hear, hear.

Ms. Copps: My brother, as a worker in the steel mills in Hamilton, had to give his pay directly to the New Democratic Party—

Mr. Boudria: Whether he wanted to or not!

Ms. Copps: —which was campaigning against me in my own riding, although he knew perfectly well that I was supporting the workers.

So if the New Democratic Party does not want to dirty its hands with anyone's donations—

Mr. Gauthier: Donations from the workers.

Ms. Copps: —either from a big union or any other big corporation, I am quite ready, and I will be delighted to follow in the footsteps of a New Democratic Party that would refuse all donations from the union and corporate sector.

Since you mention being influenced, it is true the possibility exists just about everywhere in politics, whether we are talking about individuals, corporations or unions. But if we really want to see a change in party financing at all levels, it will also have to include corporations and the unions.

Let me tell you just one thing: in my campaign, I receive personal donations. Two days ago, I gave a benefit dinner at $125 a plate for 1,000 people in Toronto, because I prefer to collect $100,000 from 1,000 people—

An hon. member: Right on.

Ms. Copps: —instead of collecting it from two or three or four corporations. That happens to be my policy.

Mr. Boudria: Or two or three unions!

Ms. Copps: I am prepared, as a leader of the Liberal party and as Prime Minister, to make the changes so we can have this policy.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to start off, as I am sure you would like me to, by congratulating my colleague for her excellent speech. Such substance and eloquence has seldom been heard in this House of Commons.

The people of Canada wanted a green environment; they got a Green Paper. They wanted clean water; they got watered down commitments from the government. They wanted recycling programs; they got recycled promises instead.

Does my colleague not think that it is hypocritical for the Tories across the way to have shut down VIA Rail, at least in part and probably will eventually kill the whole thing, an environmentally friendly system of transportation at the same time as they are pretending to be in favour of a greener environment?

Ms. Copps: At page 21 of the recycled document it states:

> Transportation is a major source of carbon dioxide. The Royal Commission on National Passenger Transportation will be examining environmental issues as part of its own work on the future of transportation in Canada.

Is it not a little late? It is incredible that this promise comes out just months after they have already nailed the last spike in the coffin of the great Canadian railway.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over. Debate. The Hon. Minister of Forestry.

[*English*]

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I am pleased to be able to participate in this debate on behalf of my colleague, the hon. Minister of the Environment, who is absent today keeping a long-standing commitment to make a speech to the Inter-American Development Bank. We all know that is something very important because the issue we are discussing today has many international dimensions.

I want to start by welcoming the hon. member for Hamilton East back to the green chamber. I appreciate very much her plea for a non-partisan, rational, compassionate approach to the issue. I want to welcome her back with all her enthusiasm and partisan venom. She stated that she has been travelling in areas where environmental situations have caused neurological damage. It should suit her very well to be a leadership candidate, if that is the approach the Liberals will introduce to this critical debate.

• (1040)

Ms. Copps: That was the International Joint Commission.

Mr. Oberle: She wants goodwill. Her speech hardly had any phrases that would bear any relationship to goodwill. The Liberals had been in power for 25 years and, if we are truly in such a mess, how can they stand up today and blame it all on other people?

Yesterday, on behalf of the Government of Canada, my colleague, the Minister of the Environment, invited all Canadians to participate in the reshaping of our future. Judging from the speech we have just heard from the hon. member for Hamilton East, there is a clear indication that more Canadians have to get involved in the debate if we want this debate to have any substance.

I am pleased to speak on behalf of the minister today. The goal of the federal government is quite clear, and that is to make Canada by the year 2000 the world's most environmentally friendly country. That would be in keeping with the image that we still enjoy throughout the world. It is not one we have particularly earned, but one that we inherited because of the vastness of our land and the pristine mountains, waters, streams and forests.

Let us take a look at what is proposed. The next steps are equally clear. *The Green Plan* is a national challenge, a framework for achieving this goal. It has four parts.

The first step is to inform Canadians about the challenges we are facing and the imperatives that must be addressed. Between mid-April and mid-May there will be information sessions in 30 cities across the country. We are hoping to engage every Canadian in every part of our country.

The second phase involves seeking the views of Canadians on specific issues raised in the framework for this discussion paper. This phase will last from May 21 to the end of June. We will be asking Canadians in groups or as individuals to make their submissions to us.

The third phase will involve the final formulation of the action plan which will be tabled in the House of Commons this fall.

Finally the plan will find implementation.

A clear goal, a clear timetable and a clear commitment to action, the plan is designed to position the federal government in a leadership role, to bridge the gap between those who have old fashioned views about development and those who say that all development must stop, that we must reach back to the dark ages and even beyond that where all of us could afford to live in a hunting and gathering economy.

This issue crosses political lines. It requires the co-operation of all Canadians. It requires us to put aside our partisan views about these issues and to engage ourselves in this dialogue.

All of us on this side of the House share the desire of Canadians, indeed the impatience that Canadians feel for action, but as the framework for discussion paper makes clear, the achievement of sustainable development requires more than the series of react and cure actions by government. If sustainable development is to become a reality we need a blueprint for lasting and long-term change.

We must also realize that going it alone as Canadians is not the solution. We are just now learning how inextricably our resources, the life sustaining systems, and the ecological zones and regions over which we claim sovereignty ourselves are interrelated with all the ecological zones of the planet; how Canadians will be affected by the destruction of the rain forests in the

Amazon; and how other people on the planet could be affected if we do not improve our custodial practices over our own resources.

At the turn of the century there were 1.5 billion people on the planet. By the end of this century there will be 6 billion people, and that figure will perhaps double by the year 2020. What a daunting challenge: all these people will lay claim to some of the scarce resources, the scarcity in what the planet can produce for its human species.

Everywhere we look we see the symptoms of a planet under stress: the thinning of the ozone layer, the threat of climate change, environmental emergencies, and the disappearance of plant and wildlife species. They make us wonder about our relationship with our environment and the future we are creating for our children. They make us raise fundamental questions about whether the living standards that we have worked so hard to achieve can really be maintained.

As Canadians we are blessed in both material and environmental terms. Much of our material well-being has its basis in our endowment of renewable and non-renewable resources. More than four million Canadians, one in every three working Canadians, are employed in our five main resource based industries: agriculture, forestry, fishing, mining and energy. We are a product of the environment, a participant in its evolution, and a significant factor in its present character.

Canadians are the heaviest users of energy per capita in the world. In the process of burning fossil fuels, Canadians are the world's fourth largest producers of carbon dioxide on a per capita basis. The average Canadians produces almost two kilograms of solid waste per day, more than any other citizen of the world, and less than 10 per cent is recycled. A Canadian family of five produces, on average, more than 2,000 litres of waste water every day.

Canadian governments, business and individuals have not been indifferent to environmental issues. Over the past decade there has been a strong and a steady record of achievement in the environmental field, despite what the hon. member for Hamilton East says, yet the symptoms of environmental degradation continue to multiply.

Clearly we have to change some of our most deeply ingrained assumptions and habits if we are to live up to our responsibilities as stewards of a large portion of the world's environment and continue to enjoy the quality of life to which we have become accustomed. Perhaps we have to liberate ourselves from that part of our North American culture in which only big is beautiful: big cars, big homes, big plants, big mills and factories, big corporations and big cities.

In the area of Canada from where I come, most people do a day's work by the time people in the large cities get to work, spending up to one and a half to two hours a day smelling the exhaust fumes from the automobiles in front of them. Can we really sustain this kind of senseless development?

We already know that it will cost billions of dollars—and no one has found a source for the money—to rebuild the municipal infrastructures, the sewers that discharge into our rivers, our lakes and our oceans. Can we really sustain that kind of culture, that kind of habit, that kind of lifestyle? It means nothing less than the restructuring of our everyday lives and our families and our homes from the time we get up in the morning until we retire at night.

I do not anticipate it to be much different in Canada, but I have a chart which shows the annual release of dioxins in the United States by various sectors.

In the United States municipal solid waste incineration makes up 60.3 per cent of all dioxins discharged into the atmosphere; fuel combustion, 15.4 per cent; secondary copper furnaces, 11.2 per cent; forest fires, 4.5 per cent, and I would think that it is a much higher percentage in Canada; publicly owned treatment works, 2.6 per cent; magnesium production, 2.4 per cent; hospital waste incineration, 1.4 per cent; and pulp and paper mills, 0.8 per cent. Of course multinational corporations operating pulp mills are easy targets for the environmentalist. The truth is that all of us as individuals in our collective activities, in our cumulative human activities in the large cities, are perhaps the biggest polluters. That is the nature of the environmental challenge we face.

• (1050)

We cannot afford the costs of environmental degradation and mismanagement, nor can we afford the costly react and cure approach to dealing with environmental problems.

The government firmly believes that sustainable development can only be achieved through fundamental changes in the way we make decisions at all levels, including our personal lives as individuals managing households and choosing lifestyles, as working people making choices about production processes, energy uses, waste disposal and packaging, and as elected officials setting the rules for economic activities and environmental management in pursuing our international agenda.

This government understands that environmental problems are the result of the failure of all of us to make decisions that fully take their environmental consequences into account. It is the countless day to day choices we make that shape our economy. In turn, the flow of energy, materials and waste set in motion by these decisions determine the impact of our actions on the natural environment and ultimately on our own well-being.

This is not wilful irresponsibility. Choices are often made without adequate knowledge or understanding of the ways in which we interact with the environment every day, but sustainable development requires that our decisions reflect the true value of our scarce environmental resources and the fragile ecosystems on which we depend for our health and well-being.

It is not good enough to point fingers every time a new discovery is made, every time we learn to measure in even more minute quantities. Back in the 1930s and 1940s we measured in parts per thousand or parts per million. Of course anything that was not detectable was safe as far as the environment was concerned. Then we began to measure in parts per billion and parts per trillion. Today we can measure in parts per quadrillion, and we can trace harmful agents through to living organisms. We do not yet understand the health effects in total, but nevertheless every time a new discovery is made a finger is pointed at someone asking why it has not been corrected.

There is more to it than that. Improved decision making is at the heart of the government's long-term strategy for sustainable development. Improved data, improved information, improved science will be the basis of this decision-making process.

We need to forge and strengthen new partnerships. We all share the environment, and we need to work together to preserve and to protect it. Co-operative efforts are essential at the international level and domestically. We need to co-operate with the provinces that share and have most of the regulatory and legal powers to make some of the changes and the corrections that need to be made.

Of course action is also required to address immediate environmental problems related to the health concerns of Canadians, and action has been taken. In the House the Prime Minister gave us a very impressive list of some of the things that have been done over the last five years in the Great Lakes, in dealing with our air quality and with acid rain, and even in cleaning up the Hamilton harbour.

The government believes that action on environmental problems should be targeted at five broad areas: the key stresses on the environment and human health associated with toxic substances, waste and environmental emergencies; our shared environmental resources, air and water, including issues such as global warming, ozone depletion, acid rain, toxic air pollutants and local air and water quality; managing our renewable resources of agriculture, forests and fisheries on a sustainable basis. This is perhaps our biggest challenge because we are so dependent on these prime resources for our economic well-being. We are aware now, all of a sudden, that we cannot decouple the economy from the environment, one in every three Canadians being directly or indirectly involved with these resource industries.

The fourth target is preserving and protecting Canada's unique ecological heritage resources, parks and wildlife. We are now learning that in Canada we have roughly 39 ecological zones, and they do not neatly fit within the artificial political boundaries within which the federal and provincial governments exercise jurisdiction. Here again there needs to be federal-provincial co-operation. In every one of the ecological zones we need to set aside areas that are critically important in protecting their natural features.

Canadians and indeed all citizens of the world are at a critical stage in the evolution toward sustainable development. The Government of Canada believes that sustainable development offers the promise of a lasting solution to environmental problems. To bring about sustainable development, Canadians and their governments must proceed to develop an action plan that removes obstacles for better decision making. The government is prepared to bring forward a comprehensive national framework for implementing sustainable development.

If *The Green Plan* is to succeed, however, it will require the commitment of Canadians both individually and collectively. It will require us to participate in an over-all global effort to make sure that other countries are making the same decisions. If Canadians are to be called upon to make that commitment and to pay the cost, then they have a right to expect to be involved in defining the problem and developing the solutions. This is why we have chosen this course of action. That is why the government and I urge all Canadians, including all the members of the opposition, to join us in this necessary exercise of consultation.

The Green Plan is this government's strategy for the environment. It is a strategy with a clear goal, a clear timetable and a clear commitment to action. We invite all Canadians to participate in the national challenge of reshaping our future for ourselves, for our children and for all future generations.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, on listening to my hon. colleague, the Minister of Forestry, I am impressed by his eloquence, but I am less impressed by this government's environmental record. I want to ask him more or less the same question I just asked my colleague from Hamilton East, the question about donations, the money that political parties receive which often places them in conflict of interest. I want to ask my colleague, the Minister of Forestry: Does he not see that the millions and millions of dollars that the Conservative Party receives every year put it in a direct conflict of interest with the program they want to launch? Incidentally, I want to say that I am not criticizing only the Conservative Party, because I think that all political parties have the same problems and the same opportunities for conflict of interest. But we, our party, do not form the government, and secondly, the Lortie Commission is studying the problem. My specific question for the Minister of Forestry is: Does he not see a conflict of interest and is that the reason his government has not acted until now?

[*English*]

Mr. Oberle: Mr. Speaker, my hon. friend is fairly new to the political process and to the Chamber. I would ask him to reflect on whether his environmental agenda would include a restriction on which political party a Canadian citizen or a shareholder in a corporation can support. Should we place restrictions on what political party a union can support, a member of an environmental movement, or any kind of corporation? We have no intention of depriving Canadians of those kinds of choices that need to be made.

The Acting Speaker (Mr. Paproski): It being eleven o'clock, pursuant to Standing Order 35, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

WORLD HUNGER

Mr. John Manley (Ottawa South): Mr. Speaker, while many of us are occupied these days with constitutional and other issues facing Canada in the 1990s, there is a growing population whose day to day challenge is to find enough to eat.

Hunger continues to be a major problem today. Each day it claims 35,000 to 40,000 victims around the world. Whether in Ottawa or in Africa, it is not hard to witness the wasted potential of people because there is insufficient food.

In one year in the national capital alone, from September of 1988 to September of 1989, the Ottawa Food Bank distributed 585 tonnes of food to people who were in need.

On the evening of April 6 and all day on Saturday, April 7, we in Ottawa South are organizing the Stop Hunger Fast, a non-partisan hunger awareness event that features a 24-hour liquid only fast. Over those days we hope to collect food, pledges and volunteers for the Ottawa Food Bank and UNICEF. Stop Hunger Fast will be held at the local Charlebois High School in Ottawa and we are hoping that our residents will take time to

learn and find out about the problems of hunger in the world.

Hunger need not exist. Children should not be prevented from academic success because of malnutrition, and senior citizens who made our success in the world possible should not have to live in poverty today.

* * *

SKILLS TRAINING PROGRAM

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I am pleased to bring you a success story, one in which the federal government is playing a major role.

In November 1988, through Jobs Innovations, a part of the Labour Force Development Strategy, a pilot project in Simcoe Centre was funded to assist a Skills Training Program in high schools and colleges to meet the demand for more skilled workers.

A partnership was formed between industry, business, educators, government and the community. They deserve a round of applause for their effort and dedication to this cause. From such a small beginning, we now have 55 secondary schools from 14 school boards and nine colleges, a total membership of 1,400.

I had the honour of participating in their awards night, March 27. Winners will compete in skills Olympics in Hamilton on April 21. Winners from this round will go on to Tulsa, Oklahoma for international competition. I strongly support their continued efforts and say, well done.

* * *

WOMEN'S PROGRAM

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, last month's budget may well spell a disaster for countless women in Canada. The fact that $1.6 million has been slashed from the women's programs of the Secretary of State means the end of many centres throughout Canada.

One of the centres is the Women's Resource Centre in Antigonish, which has long been a refuge and a strength for women in northeastern Nova Scotia. The Women's Resource Centre provides referral services, interim counselling, educational materials and programs for women who are otherwise often isolated and abused. The centre serves rural women and women in small towns such as Canso, where the crisis in the fishery will add to the family stresses which many women in rural areas already face.

The centre lost $43,000 in federal support through the Secretary of State with the last budget, a meagre sum which would have helped contribute to a valuable service in my constituency.

* * *

[*Translation*]

COMMONWEALTH LAW CONFERENCE

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, Anne Caron, Marie-France Chabot, Danielle Pelletier and Claudia Prémont, four law students at Laval University in Quebec City, will represent Canada at the moot court competition of the Commonwealth Law Conference in New Zealand from April 16 to 20.

These students qualified by winning the Gale Cup in Toronto in 1989.

The financial support given by the Government of Canada, the Government of Quebec and the Laval Alumni Association for this important event is a tribute to the excellence shown by these students and their professors.

I am sure that, thanks to our team of francophone students pleading in the language of Shakespeare, the Commonwealth countries participating in this international competition will see that Canada's legal system is bilingual and includes both civil law and common law.

Mr. Speaker, I want to take this opportunity to wish them *bon voyage* and good luck with their case.

* * *

[*English*]

FRUIT INDUSTRY

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the fruit industry in British Columbia's Okanagan valley is in serious trouble.

A recent royal commission into the B.C. fruit industry found that the $675 million industry is on the verge of collapse. In the Okanagan Valley alone, the industry is

worth $130 million. With this region's unemployment rate at 13 per cent, every dollar and every job is needed.

B.C. fruit growers and those in other provinces are lobbying the government to establish a national apple marketing board. A marketing board would stabilize the industry by controlling prices and quality, and by halting the apple imports pouring into Canada because of world-wide over-production.

I urge the government to act now on the establishment of a national apple marketing board by speeding up the process needed to put this board into effect. The survival of a major industry and a way of life are at stake.

* * *

[*Translation*]

DEMOCRACY IN HAITI

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, this week, representatives of *Carrefour Tiers-Monde* came to Ottawa to meet members of the Standing Committee of the House of Commons on External Affairs and International Trade and explain to us the urgency of giving substantial support to the democratic process in Haiti.

The Conservative government must respond positively to this request which is unanimously supported by such important organizations as the *Association québécoise des organismes de coopération internationale*, Development and Peace, Canada World Youth, the Haitian Christian community office of Montreal and the group to promote respect for the Haitian Constitution.

I must say that the emergency assistance sought for Haiti includes medical, food, security and immigration components. One of the greatest concerns for those who are interested in the situation in Haiti is to have a country like Canada that could act now to help the authorities there prepare for democratic elections which could be held in early 1991.

* * *

[*English*]

THE ENVIRONMENT

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I want to compliment the Minister of the Environment for his renewed commitment to the environmental imperative for Canada, announced yesterday as *The Green Plan: A National Challenge*.

In particular, I want to commend the minister for the process of specific and intensive national consultation which he has introduced as a prelude to final publication of The Green Plan. In so doing he recognizes that the first step toward sustainable development must be a clear and informed consensus about where we want to go. The real challenge is to develop the national consensus as well as we possibly can.

The minister states clearly that environmental considerations, as with economic ones, must be forethoughts to decision making, not post mortems as has so often been the case. In the debate which he is now initiating, Canadians will have the responsibility and the opportunity to reflect upon the difficult balance which we must find between mutually compelling goals for economic development and environmental sustenance. The Green Plan will show the way, but first all Canadians must help to find the destination.

* * *

MINISTER OF FINANCE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I know it is unfair to quote the Minister of Finance using his own words but let me do it anyway. On May 1, 1984 the Minister of Finance said, who was then the opposition member for Etobicoke Centre, said the following:

> —the only response the minister has made to that is to increase interest rates. That in itself led to further weakness in the already weakening economy over the past six months.

On March 13, 1984, the member for Etobicoke Centre said:

> It does not make any sense at all for us to have this situation in Canada where interest rates are allowed to rise. Is the minister telling us there is no alternative, that the government has no flexibility and no other options but simply to follow the policy of the United States lock-step, and watch our economy fall into the doldrums again?

The member for Etobicoke Centre said on December 13, 1982:

> The inflation rate in the marketplace, the non-government control part of the economy, is between 5 per cent and 6 per cent. The current interest rate at 13 per cent or 14 per cent is simply too high.

The member for Etobicoke Centre was right.

* * *

• (1110)

OFFICIAL LANGUAGES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, recently the GVRD, representing 50 per cent of British Columbians, passed the following resolution:

Canada was created by the federation of two linguistic groups from an English or French heritage;

It is important to work toward the goal of a country in which all Canadians, irrespective of their origin, can feel comfortable in every region. This requires respect for minority language rights;

Whereas we live in a period characterized by sharp and sometimes rancorous debate on constitutional language questions which threaten the unity and very existence of the nation;

And it is vitally important at this critical time that all Canadians in positions of leadership speak up in support of those principles which underlie the unity and character of Canada;

Therefore, the greater Vancouver Regional District, the third largest urban community in Canada, strongly supports the linguistic duality of our nation and urges all Canadians from coast to coast to display the tolerance and understanding necessary to the building of Canada as a unified nation and constructive member of both the English speaking and French speaking parts of the world community.

* * *

[*Translation*]

THE AMOS ÉLITE GALA

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, one of the goals of the Amos *Élite* Gala is public recognition of entrepreneurship, at a gala event. The first gala was held recently, attended by more than 400 guests who were unanimous in calling this event an unqualified success for the Amos Chamber of Commerce.

I would like to congratulate the winners and especially *Les Serres de Guyenne* who ranked first with the *Élite* award for manufacturers and for the year. The *Élite* for retail and wholesale businesses went to Gyva's La Boutique du bureau. A. Bergeron and Son received the award for a service business and the Town of Amos the award for public and semi-public enterprise.

Congratulations also go to the Amosphère Hotel Complex, awarded the *Élite* for new businesses, and to Ginette Larochelle and Yvan Rose who received, respectively, the *Élite* for businesswoman and businessman of the year.

* * *

[*English*]

SEED PROGRAM

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, on February 8 the federal government cut $41.8 million from the Summer Employment Experience Development Program. This program provided almost 72,000 summer jobs for students in the past year, thus giving students the opportunity to gain valuable work experience and to earn money to help fund their education.

By slashing $41 million from this program, a total of 17,000 fewer students will obtain jobs this summer. Once again the Tory government is abandoning a federal role in post-secondary education in this country. It is abandoning the students by cutting the program. It is abandoning the provinces by slashing billions from its contribution to post-secondary education. In short, it is abandoning the youth of Canada and jeopardizing the very future of our country.

Surely Canadians deserve better than the short-sighted, penny-wise, pound-foolish policies of this Tory administration.

* * *

SEED PROGRAM

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we have now seen just how committed the government is to the future of Canada and the education of our young people.

Documents obtained through Access to Information show that because of cuts to the Summer Employment Experience Development Program, more than 17,000 employment opportunities for students will be lost, even though this program has proven to be successful in the provinces with traditionally higher student unemployment.

But, should we be surprised at this government's abandonment of students with its dismal record of supporting those seeking further education and training? The Tories have slashed $41 million from the over-all student employment program.

It have proposed a 3 per cent user fee for students receiving Canada student loans.

It will, if it gets its way, institute for the first time almost anywhere in the world, a tax on books and supplies, further pushing up the costs of an education. As it has placed limits on transfer payments to the provinces for post-secondary education, this will result in tuition fee increases.

It is time that this Conservative government recognize that the most important natural resource of this country is its young people. Rather than slashing programs to assist students in their education and training, we should be investing in our future and putting more money into summer job programs.

* * *

THE ENVIRONMENT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to say how pleased I am with the tabling of The Green Plan by the Minister of the Environment.

My riding of Cumberland—Colchester in Nova Scotia is made up of people from all walks of life who are very concerned about the environment and related issues. They want to work toward maintaining and improving the best area of Canada in which to live.

It is exciting and refreshing for me to receive letters, ranging from elementary school students to seniors and all ages in between expressing this concern for the environment. We are all concerned that Canadians are the highest users of energy in the world, that Canadians are the world's fourth largest producers of carbon dioxide and that the average Canadian produces almost two kilograms of waste per day, more than any other country.

The Green Plan lays out a direction, but also gives Canadians the opportunity to speak their points of view in 35 information sessions scheduled for across Canada. In every issue, be it GST or government cuts or the environment, people want and, in fact, are demanding the opportunity to be involved. I urge Nova Scotians to attend the session scheduled for Halifax on April 27, less than one month away, and express those views, make their recommendations and be a part of the process.

* * *

PUBLIC SERVICE

Ms. Mary Clancy (Halifax): Mr. Speaker, in December of last year the government forced through back-to-work legislation against certain Public Service workers, including ships' crews and hospital workers.

Part of the package was that there would be a report of the conciliation board within 90 days. The 90 days is now up. The Conciliation Board has asked for an extension.

The ships' crews and the hospital workers in Halifax, as well as in other places across this country, are waiting and they are losing patience. The ships' crews workers on the east coast have been waiting for parody. They have been waiting for a report. They have been waiting for some sign that this government realizes the incredible work they do for the people at sea, for the mariners and for the fishermen.

The ships' crews deserve better from this government and they deserve an answer soon.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance.

Yesterday, after the Minister of the Environment, who still is not with us today, released not an action plan but what he called, "simply a framework for discussion on the environment", the reaction of environmental groups was uniformly negative.

For example, Janine Ferretti of Pollution Probe said: "The Canadian public has a right to ask, 'Where is the beef?'. This is the number one issue and there is absolutely no leadership in this document".

A respected environmental activist, Daniel Green said: "—we need incredible changes to be the cleanest. That will cost money and the fact that Mr. Bouchard

refuses to tell us how much his government is willing to spend makes me very leery."

Yet, yesterday and again this morning on television, the Minister of the Environment said: "Yes, we have a commitment on the level of funding".

Will the minister tell us today exactly what that commitment is, exactly how much money the government has put aside for further environmental action? Does he not realize that if he will not give us that exact figure today, he is telling Canadians that the exercise of consultation which he wants them to take part in is nothing more than a sham, a smoke screen to hide the fact the government does not intend to do anything meaningful on the environment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would refer my hon. friend to the passage in the budget speech where I clearly state that the Minister of the Environment would be putting forward a major document in an agenda for sustainable development. That document was put forward by the minister yesterday. It is a statement of consultation. It states that we want to listen very carefully to what Canadians have to say, be they other levels of government, members of the private sector, both from the NGOs and the industry, from individual Canadians. We want to listen to Canadians before we make these final decisions.

I think it is very clear from what I have read from a number of observers of the environment scene that consultation is desired, consultation is needed. There are changes that we are going to have to undergo in our lives, there are changes that industry will have to undergo. It is important that we have a degree of consultation so that we get the right environmental agenda package put together. That is leadership on the part of this government.

If he checks the budget papers he will see that we have set aside reserves to take account of emergencies that are facing us today in the fishery and agriculture. There are also very real needs in the environment. So we do have reserves set aside to take account of the expenditures which will have to be made.

• (1120)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Michael Manolson, Executive Director of Greenpeace Canada, said the paper is, "an excuse for inaction". Kai Millyard, of Friends of the Earth, talking about the paper, said, "What a lot of baloney. They look like they are trying to buy time."

The reserves the minister is talking about have been already committed to dealing with the crisis in the fishery, the crisis in agriculture, and now he is saying that same magic amount is going to be used to deal with the needs of the environment.

I do not see how Canadians can take that statement seriously, unless the Minister of Finance gets up today and gives us a specific amount. If Canadians do not have a specific amount I do not see how they are going to feel that the opinions the government is soliciting are going to be meaningful or taken seriously.

I ask the Minister of Finance, why the secrecy? What is the government hiding, or is it really trying to hide the fact that the government has no intention of doing anything new and meaningful on the environment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have an article here which talks about what Ottawa's green plan must include. It is an article by Mr. Donald Gamble, a leading expert on Canadian water policy. His final point is on consensus building: "Confrontation on environmental issues must not continue to frustrate progress toward a sustainable future. Consultation processes point the way for industry and government and how industry and government can co-operate."

Sustainable development means that there must be co-operation on the part of industry with government, with other interested parties in the private sector, so that together we can move ahead and make some real progress to build on the progress that was clearly in place in our efforts to improve the environment in our last mandate.

Now the hon. member is saying he wants to have a precise figure. If we have a precise figure, that can constrain what the consultations will actually provide. We want to listen to these consultations, respond to them in an effective way, and in that way build the consensus that will allow us to move forward in a strong future of sustainable development.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the article from which the Minister of Finance quoted was written and published before the government's framework for discussion came out. It would be interesting to know what the author had to say about this meaningless document now that he has had a chance to read it. I doubt if he would have anything slightly positive

to say about it. So, quoting it is not too useful for the purpose of this House.

The Minister of Finance says he wants to hear from Canadians before making decisions on the financial commitments. Yesterday in Montreal at his press conference the Minister of the Environment said, "Cabinet has already committed a specific dollar amount to the program."

The government cannot have it both ways with, the minister saying today that they are going to listen to people and then make up their minds, and his colleague, the Minister of the Environment saying that cabinet has already committed a specific amount. Which is it? If it is a specific amount, give us the figure.

[*Translation*]

Mr. Speaker, yesterday, the well-known environmental activist in Quebec, Daniel Green, said, and I quote: "It is high time the government put its money where its mouth is where the environment is concerned". Mr. Speaker, I want to ask the Minister of Finance whether the government could tell the House today how much money it intends to spend. Doesn't he understand that without a public announcement today or the government's spending commitment, the whole consultation process will be just a big joke?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, our commitment to the environment in the past mandate was not a charade, nor is it a charade in this mandate. It is a very real commitment of action.

I refer the hon. member to a number of things that were said in the House yesterday by the Prime Minister, setting out very clearly the specific actions the government has taken over the past number of years in dealing directly with the environmental challenges that we as Canadians face today.

The Prime Minister also referred to the statements by Mrs. Brundtland on the clear leadership that we have been demonstrating to the world on environmental matters. This commitment will continue. It is very clearly demonstrated in the consensus seeking document that the Minister of the Environment put out yesterday. The fact that people might not agree with certain aspects of environmental policy does not negate in any way the need for consultation.

We are committed to consultation, so we can bring people together to be fully in support of an environmental action plan which will be announced by the Minister of the Environment after the consultation process has taken place.

I repeat that we have set aside reserves for this. Those reserves are significant. They are significant enough to support a strong environmental plan which will be announced after the consultation process.

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ABORIGINAL RIGHTS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, in the absence of the Prime Minister, my question is for the Secretary of State and Minister of State for Multiculturalism and Citizenship.

Previous reports of the Human Rights Commission have called the situation of native people a national tragedy. The commission, in releasing its 1989 report, stated that it had no reason to alter that judgment.

What immediate action is the government prepared to take to turn this tragedy around?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Government of Canada and certainly the people of Canada would agree with Commissioner Max Yalden when he says that the situation confronting aboriginal people in this country needs to be vastly improved. In fact, Mr. Yalden points out in his report that substantial improvements have been made in important areas of health, education, social status and economic opportunities available to native people.

He also points out that further improvement is required. The government is working diligently in these areas through the review of land revenues and trusts, through the completion of important and historic comprehensive agreements and through the implementation of provisions of Bill C-31. There is also the fact that the government has chosen to increase funding in significant ways to our aboriginal, especially Indian and Inuit, programs for which my department is responsible.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, the commission's report calls for a new deal for the aboriginal people of this country, based on a commitment by non-aboriginal Canadians to meaningful political and cultural autonomy and much greater economic self-sufficiency for aboriginal Canadians. Will the government commit itself today, as a first step in this new deal, to reinstate the funding it recently cut to aboriginal political organizations and communications societies?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the decision to cut any program was very difficult. In particular, I and many other Canadians know how important these societies have been. We wish them well and know that most likely they will continue to survive. They cannot get all their funding from the government because my department does not have the funding available that it had before.

We have a task force in place to bring together all departments of the government that have an interest in this particular area. We are carefully examining any way in which we can be helpful.

Yesterday, I raised the very important conversations I had with the minister for the Northwest Territories, Titus Allooloo, and how beneficial those were. We are now bringing forward an agreement which will provide some interim funding for the organizations. But in the long run, as Mr. Titus Allooloo says:

> Now that the immediate funding needs of the communications organizations have been met, we must not rest with our satisfaction. The challenge ahead is to determine alternative methods of supporting native communications in the NWT in order to ensure their future viability.

Mr. Speaker: I think we should proceed. The hon. member for Trinity—Spadina.

* * *

THE ENVIRONMENT

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Minister of Transport. He knows by the letters I sent to him Wednesday and Thursday that the southern Ontario regional air transportation system is under study by the federal Environment Assessment Review Office. The Toronto Harbour Commission, over the objections of Toronto residents, Toronto council and even the royal commission on the future of the Toronto waterfront, is preparing to begin on April Fool's Day to expand the number of flights by eight times from Toronto Island Airport starting next week and to build a new terminal five times the size of the previous one.

• (1130)

Knowing that transportation is the chief cause of carbon dioxide pollution and that airplanes contribute five to 10 times as much as trains do per passenger, will the minister direct the Toronto Harbour Commission to halt its expansion until the environmental assessment review is finished in 1991?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the House will know that the island airport is operated under an agreement with the city of Toronto, the Toronto Harbour Commission and Transport Canada.

In an effort to meet the existing demand by passengers and to reduce the operating deficit of the airport they are taking steps to augment the services that are already there. As far as we understand those are entirely within the agreement and they are operating in such a way.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, there is a more urgent matter, that of pollution of the atmosphere. I ask the minister to consider his powers as the Minister of Transport which overrides the matter of the agreement that the Toronto Harbour Commission is violating.

Will the minister act now not only for the sake of restricting more global warming by the airplane carbon dioxide pollution but also to protect the recreation areas, the industries on Toronto Island and the mainland, the Toronto core area traffic flow and the thousands of waterfront residents who built on the basis of that now-violated agreement? Will you intervene by ordering a freeze on increase of carriers, increase of flights and construction of that new terminal?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, there are several areas of my friend's question which could be corrected. As far as I know there is no industry on the Toronto Island. That is for sure, certainly not in the winter.

I am prepared to ask that violations be corrected if my hon. friend would be prepared to be specific—very specific—in actually what violations he alleges are taking place.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, my supplementary question, in the absence of the Prime Minister, the deputy Prime Minister, the energy minister and the environment minister, I fear I must direct to—

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Harvey (Edmonton East): Mr. Speaker, it is for the finance minister. He is here.

The government's environment discussion paper highlights the need to reduce emissions of greenhouse gases like carbon dioxide, echoing previous statements by the Prime Minister. Last fall the energy minister himself noted that: "The greatest reductions in carbon dioxide can be obtained through energy efficiency and conservation"—funding for which this government has cut by 92 per cent since 84.

Will the government now preclude otherwise justifiable charges of stunning hypocrisy by restoring funding for these programs to not less than their 1984 levels, which would almost immediately prevent energy waste and ensure Canada a competitive edge in tomorrow's more sustainable world?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the absence of the leader of the New Democratic Party, the party has sunk to new lows in trying to find some quality in its questioners.

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I think that the paper released yesterday by the Minister of Environment set out a number of ways that can be considered in dealing with influencing better environmental behaviour. There are some things that involve taxes, while other things involve regulation, user and polluter pay. These are a range of policy instruments that can be used that will improve the activities, actions and behaviour of Canadians, whether they are individuals or businesses, in dealing with things that relate to the cleanliness of our environment. These are all things that will be subject to the environmental discussions that will arise out of the consultations.

I am sure that we will have a very successful result from this consultation, and arising out of that we will have a strong action plan.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a question for the Minister of Finance. I would like to ask the minister very directly if he would respond to the previous, clear question which pointed out that over the last six years his government has cut the alternative energy budget by 93 per cent.

In a show of faith today, if he truly believes in this recycled document, will the minister order the reinstatement of the full budget which was cut 93 per cent by his government? Will he restore the full budget for alternative energy studies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, both this questioner and the previous one have focused in on one element of environmental policy. Our environmental policy covers quite a range of elements.

The resources that we are committing to the environment have increased since 1984 and they will continue to increase. As I indicated to the hon. member's leader, there are reserves in the budget that will allow for us to respond to the consultation process and develop a strong environmental action plan but that action plan will arise after we have gone through this consultation process.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the minister's own document says that Canadians are the heaviest users of energy in the world. By what possible skill could he justify a 93 per cent cut in alternative energy budgets by his government?

[*Translation*]

I looked around in this garbage for a couple of hours, trying to find solutions to environmental issues. What I found, Mr. Speaker—

[*English*]

Does the minister believe that we are actually going to control waste by the creation of an office of waste management as he is proposing in this document?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in a previous answer, there are a range of ways that you can influence the behaviour of people. Taxes are one. Regulation is another. Information that is provided to consumers is the third way. Polluter pay is another way and user pay is another yet

way. All of these things are ways that are important elements, but they have to be combined together. They have to be effectively integrated into an over-all action plan.

We believe that we have made good progress over the last five years in improving the protection of the environment. We believe we have also made good progress in raising the awareness of Canadians to the importance of the environment. But this is going to continue through the consultation process. Arising out of the consultation process, there will be very real decisions taken as to precisely how we can continue this major progress, just as we have had over the last five and one-half years.

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FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, in the last couple of years, we have had an explosion in the population of seals off the north and east coasts of Canada. Together with the foreign fishing that is licensed by this government, we have seen the problem that we have in our fishery today. The Harris report, if it is ever released by this government, will prove those two points.

Is the Minister of Fisheries aware that this year the price to fishermen for seal pelts has dropped by 50 per cent? They have been waiting on this government for a response to their request for price support. Why doesn't the government support these fishermen with the request that they have made to this minister?

• (1140)

Do the fishermen have to go and jump into Meech Lake in order to get support from this government?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I am not advocating that these people jump into Meech Lake, but maybe the member should.

Some hon. members: Oh, oh!

Mr. Valcourt: The seal issue is a serious one. Our basic approach in this area is in line with the long-term development strategy that focuses on research and development activities rather than short-term solutions in the form of subsidization. I am quoting the provincial minister of fisheries in Newfoundland. The hon. member is, today, contradicting his good Liberal friends there.

Is the member telling me that—

Some hon. members: Come on.

Mr. Valcourt: Well, we know what happened after the Malouf report —that we have stuck to a policy?. Right now, I view the seal issue as a serious one. Proposals have been received by the fisheries price support board. The application is under review and no decision has been made. As soon as one is made, I will make it public.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, that is a cowardly answer. There soon won't be any—

Mr. Clark (Yellowhead): Order.

Mr. Speaker: The hon. member is a very experienced member and I know that he would not want to proceed that way, and I ask him to put his question in a more appropriate manner.

Mr. Baker: Mr. Speaker, the seals now outnumber Atlantic Canadians two to one. It is the fishermen who have become the endangered species.

[*Translation*]

Does the minister realize we have seals here, there, and everywhere? Where is the government? Seals eat fish, not pizza!

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, it is true that seals do not eat pizza but the Hon. Member seems to eat more than his share.

[*English*]

The member seems to have discovered this new word in French, Mr. Speaker, but I want to warn him—you had to warn about a word he used previously— that this word is only parliamentary *en français*.

Some hon. members: Oh, oh!

[*Translation*]

Mr. Speaker: It is usually up to the chair to issue the warnings that are needed in this place.

Mr. Valcourt: But seriously, Mr. Speaker, the seal population issue—

[*English*]

It is, indeed, a serious situation there, and I intend to intensify the research program initiated in 1988, in co-operation with the industry and the universities, to ensure that we can get rid of what people say is a *fléau* there, but we need much more scientific evidence and we are going to try to get it.

In the meantime, my parliamentary secretary has been very active on the seal question for a long time, and I would hope, within the next few days, to be able to give an answer, one way or the other.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Minister of Justice. The Canadian Human Rights Commission's annual report tabled yesterday criticizes very strongly the Conservative government's indifference in this regard, which has contributed to a dangerous rise in racism, sexism and homophobia and to the marginalization of natives and the disabled.

My question is this: given the Commission's statement that further delay in proposed amendments to the legislation will surely bring into question the federal commitment to human rights principles, will the Minister assure this House that she will table these basic amendments this spring, as her predecessor had promised? When will she move toward equality?

[*English*]

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am not able to promise the hon. member that I will table those amendments this spring.

I will repeat what I said the previous time he asked this question, that the Canadian Human Rights Act is under comprehensive review in the Department of Justice, which has an enormous workload at the moment, and we are attempting to bring forward a number of pieces of legislation for consideration in this House.

I think it is important that the hon. member remember that it was this government that instituted the process that came forward with the report called *Toward Equality*, and we are proceeding to act on those recommendations. I believe that the House will be pleased with the recommendations that we bring forward for the amendment of the Canadian Human Rights Act.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, a supplementary question for the Minister of Justice.

For the second straight year, the Human Rights Commission chairman has described the status of aboriginal people as a national tragedy. He criticizes the cuts to post-secondary education, native media, and representative organizations as harsh and inappropriate. He says that, if there is any single issue on which Canada cannot hold its head high in the international community, it is in the area of aboriginal relations.

My question for the Minister of Justice and the former Associate Minister of Indian Affairs is this: This year, will she take the commissioner's recommendations seriously? Will she act on his recommendation for a royal commission? In the absence of any useful action on the budget cuts that came from the Secretary of State, will she act to reverse those funding cuts which have been characterized as a setback to equality and human rights for natives?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know my colleague, the Minister for Indian Affairs and Northern Development, would also like to address this question.

But I would like, first of all, to correct a statement made by the hon. member that there were cuts in funding for post-secondary education. That is absolutely false. The post-secondary education budget was increased—

Some hon. members: Come on.

Ms. Campbell (Vancouver Centre): If it is in the report, then it is an error and I am sure my colleague will want to address himself to that.

The issues raised by the Human Rights Commission are, of course, serious and, as I have mentioned in this House before in response to questions on the Donald Marshall inquiry, for example, that there are a number of departments in the government that are addressing

the question of aboriginal rights, and concerns for aboriginal people.

It is not up to me to institute a royal commission. It should be a decision of the Prime Minister and the government. I think it is important to point out that many of the departments of this government are working now on the issues that have been identified by the Human Rights Commission; the Ministry of the Solicitor General, the Ministry of Indian Affairs and Northern Development and my own ministry.

I think it is important that these policy initiatives be developed and acted upon, and that we choose the mechanisms that are most effective and will bring changes forward.

* * *

IMMIGRATION

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of Immigration.

In January 1990, 11 per cent of all immigrants to Canada came through Gander, Newfoundland. In February 1990, 56 per cent of all immigrants to Canada came through Gander, Newfoundland. It is costing the Government of Newfoundland and Labrador $2.5 million per month. It is clear that this is an extraordinary situation. It is also clear that it is a national responsibility.

Why does the minister allow the cost of a national responsibility to rest on the shoulders of the province with the least capacity to pay? Why is she doing that?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we are very well aware of the situation and are following it very closely. As minister responsible for immigration, I must say that we have asked for a staff increase and we are working in close co-operation with Newfoundland officials to strike a fair balance and to ensure that the people are processed as quickly as possible. We have speeded up the process and we are aware that, under an agreement with the Government of Newfoundland, we assume some of the responsibilities. Our department pays all the costs of the services of an adviser for refugee claimants. The federal government shares equally with the provinces the cost of housing and the cost of keeping the applicants for refugee status while their claims are being considered. In short, we always try to abide by our first criterion, which is to deal with the applicants fairly and equitably and in close co-operation with the province.

• (1150)

[*English*]

Hon. William Rompkey (Labrador): Mr. Speaker, the Government of Canada is paying 50 per cent of this cost but it is equally clear that this is an extraordinary situation placed on the shoulders of the province which has the least capacity to bear that burden. Eighty per cent of all hotel rooms on the island of Newfoundland are full right now. We want tourists but we did not expect them to come this way.

Is the minister prepared to recognize that this is an extraordinary situation, accept her responsibilities and take extraordinary measures in the form of cash now?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I repeat, we have been sharing some of the responsibilities and are continuing to do so while taking into account the economic benefits this situation could bring to the province.

* * *

INTEREST RATES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. The discount rate increase announced yesterday by the Bank of Canada will be another blow to Canadian consumers. The new 13.51 per cent rate is the highest since the 1982 recession and will surely lead to a general increase in mortgage rates. I would like to ask the Minister of Consumer and Corporate Affairs what he intends to do to protect Canadian consumers from the ravages caused by his colleague, the Minister of Finance?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I thank my colleague for giving me this opportunity to report on the meeting I had this week. Contrary to what my hon. colleague said on interest rates, in the case of credit cards for instance, the Consumers Associ-

ation of Canada has always been opposed to controlling interest rates, as you were advocating.

What Canadian consumers want is healthy competition among financial institutions, as they would benefit from competitive interest rates. We are very happy with this.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): That is all very interesting, Mr. Speaker. Opposition members are usually accused of having prepared questions. This minister had a prepared answer for a question that I did not ask.

I want to ask the Minister of Consumer and Corporate Affairs the following question. While accepting some of the recommendations of the committee earlier this week concerning consumer credit cards, why did the minister refuse to adopt the most important recommendation, namely to put a cap on credit card interest rates? Is this not proof that the government across the way is interested only in bankers and not consumers?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs) and Minister of State (Agriculture): Mr. Speaker, if my hon. colleague had listened, I said that the Consumers' Association of Canada told the press and the people of Canada that it is not in favour of capping those interest rates because it is not in its best interest. We as a government must ensure that the benefits to consumers are the best we can obtain. In the specific case, we must have competitiveness in that sector which is in the best interest of consumers. I think that is what we have done and the Consumer's Association of Canada is on our side.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of the Environment. Yesterday, Canada's environment minister announced a wide-ranging consultation on the Canadian Green Plan. My question is: Since all Canadians are concerned about the deterioration of their environment, when will the Canadian government take specific action to restore and protect the environment, following the tabling of this Green Plan?

[*English*]

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as the document made public yesterday indicates, there is a four-stage process now in place and a process which will involve all interested Canadians in being part of the solution. During the course of the next six weeks there will be information sessions taking place in 30 communities across Canada. That will be followed by consultations with provincial governments in all of the capitals with interested bodies, including environmental groups. Following that there will be a specific plan put in place which will be announced to Parliament early in the fall.

In addition, and very important, there will be new EARP legislation, environmental assessment legislation introduced to this House within the next few weeks that will replace the very inadequate EARP guidelines that have been such a barrier to this government during the course of the last two years.

* * *

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, yesterday the Minister of the Environment announced an environment plan that we see from the previous question is all talk and no action. In Canada the backlog of unplanted areas continues to grow. Despite this, the government has not renewed forest agreements with Alberta, Saskatchewan, Manitoba and Ontario. Tomorrow, British Columbia's agreement expires.

My question is to the Minister of Forestry. Will the minister use this occasion today to announce that he will sign those agreements? Will he announced today that he will sign a joint $700 million tree planting agreement with British Columbia?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I welcome the question because it does point to the very significant achievements that have been made as a result of the action we took five years ago, not only in terms of restoring and rehabilitating some of our forests, but also in terms of the environmental impact such actions have.

I can tell my hon. friend today that we are one day closer to signing the agreement than we were yesterday.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, those are the kinds of answers that the people of British Columbia and the other provinces do not accept.

I wonder if the minister could confirm for this House, in light of his negligence and the negligence of the Social Credit government in British Columbia, that they started the shut-down and slow-down of FERDA forest activity in British Columbia and the cancellation of advisory committee meetings, and also confirm to this House that in his view, with the cancellation of these agreements, we will see the amount of wood supply to industry from our forest communities decline and we will see layoffs in forest communities throughout British Columbia and across the country.

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I can tell my hon. friend that these agreements will not be cancelled. They will be in place before another planting season starts.

I have an interesting article that I came across this morning, where the head of one of the major environmental committees says this about the NDP stand on the environment and some of the important issues in British Columbia.

An hon. member: Who is it?

Mr. Oberle: I will tell you in a moment. I just came across this. It is the chairman of the Western Wilderness Committee. He said:

> I am really disappointed that the NDP have not formulated any policy at all on how to deal with old growth forests and how to deal with wilderness areas or parks, or how to deal with the Carmanah, specifically.

* * *

PUBLIC WORKS

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the court has asked the government to review all the bids for the goods and services tax data centre. Instead, the government has changed the contract requirement by abandoning its policy for awarding the contract to the lowest qualified bidder. This has created a serious mistrust of the process.

Why has the government acted so unfairly?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the government has always acted in a way that tries to get the best value for the government. The best value does not necessarily mean the lowest price. There are a number of other factors that are also important.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, will the minister agree that by changing the rules half way through, his government decision has caused chaos for the bidders on the data centre? Will the government in light of that investigate allegations of unfairness and subjectivity in the bidding process? Also, will the government make its finding public?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the government has followed what the court has suggested. We have gone back and opened up the tendering process and gone back to retender. We have set things out very clearly in the requests for tenders this time and there should be no more problems. People have what they requested.

* * *

STUDENT EMPLOYMENT

Ms. Albina Guarnieri (Mississauga East): In the absence of the Minister of Employment and Immigration, my question is directed to the Acting Deputy Prime Minister.

• (1200)

Last month the Minister of Employment and Immigration announced a $41 million cut-back in the student employment experience development program. We now know that these funding cuts will cost Canadian students over 17,000 jobs. How can this government justify the decision forcing 17,000 more students on to the unemployment lines this summer?

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): I would like to tell the hon. member first that there has been no reduction to the government's expenditure on youth. What we have done is to redirect funds from post-secondary students to high school students, a substantial number of whom we feel are at risk. We have set up a new initiative which is a stay-in-school initiative. Over all the budget for youth has increased from $198 million to $218 million.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, perhaps the minister is hoping that there will be fewer students to study this government's programs. The

2,000 students demonstrating in St. John's, Newfoundland, understand this government's policies very well.

On February 9 the Minister of Employment and Immigration told this House that the student employment program will remain "regionally sensitive in areas where there is higher unemployment among students." The truth of the matter is these cut-backs will affect precisely those areas where unemployment is at its highest. At a time when the government is pushing Canada even closer—

The Acting Speaker (Mr. Paproski): The hon. member will please put the question.

Ms. Guarnieri: —does the minister not think it unfair to make students the cannon fodder of a misguided poorly planned policy and how can this government treat students in the poorer regions of this country with such callous disregard?

Some hon. members: Hear, hear!

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, the member says that we are not sensitive to those areas of the country where students have the most problems. I would tell her that SEED money, which is what she was referring to, has been shifted to areas where the need exists the most, such as the example that she has given, Newfoundland. In 1988 they received a 90 per cent increase in SEED funds. There will be increases, not decreases. On top of that the unemployment rate for students has been reduced by more than five points since this government came into office.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF REPORT RESPECTING E. HERBERT NORMAN

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise today to table, in both official languages, an independent report commissioned by the Department of External Affairs on the loyalties of former Canadian diplomat E. Herbert Norman.

This report was prepared by Professor Peyton Lyon, a prominent Canadian political scientist. Hon. members will recall that his terms of reference were explained in this House last January 25 during Private Members' Business.

Its conclusions, insofar as they relate to Mr. Norman's loyalty to Canada, are unequivocal and should lay to rest any lingering doubts. They confirm that as a distinguished Canadian public servant, Herbert Norman acted consistently in loyalty to Canada.

The views expressed in this report and the methodology employed are entirely those of Professor Lyon.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government responses to 137 separate petitions.

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

* * *

COMMITTEES OF THE HOUSE

AUTHORITY TO BROADCAST

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, discussions have been held respecting the following motion. I think you will find there is agreement to the following motion:

> Further to the order of the House made on Wednesday, March 28, 1990, respecting the plenary session and joint sessions of standing committees on the subject of global climate change, televised broadcasting of the sessions of the forum be authorized and that such broadcasting be according to established House of Commons principles and practices and the expenses of the forum be met from the block of funds assigned to the liaison committee for standing committee activities.

The Acting Speaker (Mr. Paproski): Does the hon. minister have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion (Mr. Andre) agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, there have been discussions between the parties and I think you would find there is unanimous consent of the House in respect of Private Members' Business on Monday to treat the order of dealing with the measures to be discussed in Private Members' Business as follows:

Item No. 1 on today's Order Paper standing in the name of the hon. member for Okanagan–Shuswap would go to the end of the list.

Item No. 2 on today's list standing in the name of the hon. member for Waterloo would be No. 2 on the list, and No. 1 on the list would be the motion standing in the name of the hon. member for Hamilton West.

Accordingly, that motion would be called for debate at one o'clock on Monday. I would ask that the appropriate adjustments be made in the Order Paper for Monday. I believe there is unanimous agreement that that be done.

The Acting Speaker (Mr. Paproski): Hon. members heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Motion (Mr. Milliken) agreed to.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I wonder if I might just take this opportunity on a point of order to ask a question relating to House business. I would ask the Government House Leader when the government intends to return to the House with the proposals with respect to changes in the Divorce Act affecting the Jewish Get.

As the House Leader knows, these proposals are strongly supported on all sides of the House. I am certainly prepared to undertake our commitment to facilitate speedy passage. I wonder if perhaps he might indicate willingness to bring them forward early next week.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there is no question that that bill and a considerable number of other bills are very important to Canadians and to the government as well as Canadians who await the passage of these bills. It is for that reason that I meet with the House leader of the Official Opposition and the House leader of the hon. member's party to sit and plan in a reasonable way the efficient conduct of business of this House.

I appreciate the hon. member's suggestion that he will be talking with his colleagues to facilitate those kinds of discussions and I look forward to that.

* * *

[*Translation*]

ASSOCIATION OF FRANCOPHONE PARLIAMENTARIANS

SIXTH REPORT OF CANADIAN SECTION

Mr. Louis Plamondon (Richelieu): Mr. Speaker, pursuant to Standing Order 34, I have the honour to table the sixth report of the International Association of Francophone Parliamentarians.

* * *

ASSOCIATION OF FRANCOPHONE PARLIAMENTARIANS

SEVENTH REPORT OF CANADIAN SECTION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty, pursuant to Standing Order 34, to present to the House, in both official languages, the seventh report of the activities of the Canadian Section of the International Association of Francophone Parliamentarians.

This report deals with the planning for a meeting of the International Association of Francophone Parliamentarians to be held next fall on a topic submitted to a parliamentary committee that I have the honour to chair. I hope that this meeting next fall will be a major event for parliamentarians. The purpose of the meeting is to set up a parliamentary documentation network which is very important for countries in the South, and northern countries are invited to take an active part in this conference.

[*English*]

FINANCE

TABLING OF THIRD REPORT OF STANDING COMMITTEE

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Finance in relation to Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, with amendments. The report culminates over two years of work with over 70 amendments.

In doing so, Mr. Speaker, I would like to thank the committee clerk, Marie Carrier, the table officers and the committee officials for their tireless efforts. On behalf of all the parties of this all-party committee, I would like to thank also the hundreds of witnesses from all across Canada, from every province and region in Canada who appeared before the committee, as well as those thousands who offered submissions and briefs to the committee over the past three years.

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

• (1210)

The Acting Speaker (Mr. Paproski): I recognize the hon. member for Kamloops on a point of order.

* * *

POINT OF ORDER

STANDING COMMITTEE ON FINANCE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am sure it is no surprise to you or to the House that I want to rise at this moment to draw to your attention our serious reservations about the receivability of the report of the Standing Committee on Finance on Bill C-62.

On Wednesday, March 21, the Speaker very kindly provided us with an opportunity to raise our concerns about the proceedings in the finance committee on the previous evening. I do not think a more detailed information from my point of view at this point needs to be given about that particular series of events, but I would like to ask for your generous time, Mr. Speaker, in order to make a very critical point.

I do think, however, now that the bill, the committee's report, and the failure of the committee to pronounce itself on the chairman's conduct are all before the House, that we must address what happened and get some guidance from you, Mr. Speaker, as to what this means for all future committee proceedings.

The finance committee held hearings and meetings on the goods and services tax both before the bill was introduced and after the bill was introduced. Many things have happened in that committee, many things which would make a procedural purist shudder, I might add.

Today, I think we can afford to ignore virtually all the procedural hiccups in that committee, with one exception: the ruling by the chair to impose time allocation in committee.

I do not think we can have an easy decision, as the chairman made it, in terms of something that we can accept.

I admit that he was faced with an extremely trying and tiring circumstance at that time, but I do not think that the provocation was justification for this extreme step. I do not think it is particularly relevant to the question I am asking you to review. Can a committee chairman invoke time allocation or closure in committee? Frankly I consider this to be one of the most important procedural questions that all members, including yourself, will have to consider in our term of office.

The finance committee chair mentioned last week the dilemma that faced Speaker Brandt before he invented closure more than 100 years ago.

The Acting Speaker (Mr. Paproski): The hon. member has brought another point to this debate, but I think the Speaker did rule on it previously. If there is something different, we could have a look at and then we could come back and rule on it.

I would hope that the hon. member would bring it to a conclusion right away.

Mr. Riis: Mr. Speaker, if I may make the point, the Speaker indicated that while the matter was before the committee, it was a matter for the committee to resolve. This matter is now before the House.

Mr. Andre: No, it is not.

Mr. Riis: The report has been submitted and accepted by the House. The point being, now that it is before us, it is an item on which we can comment. My view is that I ought to have the opportunity at least to be heard in terms of the procedural acceptability of the House receiving this report. It is the first opportunity we have had to make the point.

I look now to your ruling, Mr. Speaker, as to whether or not you will hear me for a few moments while I make the case, not to reiterate, I might add, what was raised in the House the other day but on a new point of order.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member of the New Democratic Party appears to be referring to citation 821 of Beauchesne's sixth edition which reads:

> (1) All rulings of the Chairman may be appealed to the committee.
>
> (2) There is no appeal to the House from the Chairman's ruling except by way of a report from the committee.

If the committee were to report to the House in respect of some matter; in other words, if the committee were to ask the House for a ruling, then it would be appropriate for the House to rule.

To suggest that in fact we could now go back and somehow annul the decision taken by the committee chairman, approved by the committee under a vote, because the general subject matter of the committee, namely the bill, is now back in the House is to distort the meaning of citation 821, very clearly.

The Acting Speaker (Mr. Paproski): I want the hon. member to know that I appreciate what the government House leader and the hon. member for Kamloops are saying.

He cannot re-argue what he has argued before. I would like him to state whether there are new arguments and, if so, I will give him the opportunity to present them.

Mr. Riis: Mr. Speaker, let me make it perfectly clear that I am not asking that what was done in the committee be somehow undone today. As I indicated, I am not suggesting a repeat of the previous day's arguments.

I have a single point of order I wish to make. I want to take a few moments to make it because I believe this is a most important matter. I would suggest that the chair of a committee has no authority to invoke closure in that committee the way it was done in this instance. What is being used by the chair of the committee as a precedent ought not to be accepted as a such. That is the point I want to make in some detail with the Chair at this point. I do not want to take up much time, because I recognize it is an opposition day and I want to keep my comments very brief.

As I said, I consider this matter to be one of the most important procedural questions that we will have to consider, including yourself, Mr. Speaker, in our term of office.

As I indicated, the chairman of the finance committee mentioned last week that Speaker Brandt raised this issue 100 years ago. Whether Speaker Brandt's solution was a service or a disservice to parliamentary democracy is a very debatable point. What is not debatable is that it changed forever the balance in the House of Commons. If the solution of the hon. member for Mississauga South as chairman of the committee becomes precedent, there is little doubt that it will leave as profound and long lasting a change to the equilibrium of this House as did Brandt's decision in Westminster.

For this reason, I think it is imperative for the House to reflect carefully on the proceedings of this committee and I hope you, Sir, will permit me a few moments to express our concerns.

I do not think we can in any way consider the proceedings in the finance committee last week to be merely a series of events and decisions, as you, Mr. Speaker, described the proceedings of the Standing Committee on Justice and Legal Affairs back in June 1984. I must say, like it or not, a precedent is now being set.

First,the chairman of the finance committee used the Lachance incident as a precedent. It was repeatedly referred to as such in the finance committee, even after the Speaker's caution last Monday that "neither this House nor the Speaker gave the incidents any value whatsoever in procedural terms."

The point is that the chairman of the finance committee on numerous occasions, as I sat in on that committee proceeding, repeated time after time that this was the precedent he was quoting: the Lachance decision back in the justice committee in 1984. If this incident is now used as a precedent, what then will two such incidents become? They will obviously become tradition and con-

vention that will be used by chairs of committees from now on.

Because I do not think the attempted birth of a closure procedure in committee can at this time be reviewed as an isolated incident, I want to say that as a minority party in this Parliament we can only see it in concert with what has been to us an alarming increase in the use of closure and time allocation and a severe diminution of the ability of minority voices to be heard.

Six years have passed between the Lachance ruling and the ruling of the hon. member for Mississauga South, just as six years used to pass between one closure in this House and the next. In today's parliamentary environment we can expect that this tactic, if it is allowed to become a precedent, will be used again, again and again.

The question I would like to address is whether or not you as Speaker and the House have an obligation to review what transpired in the finance committee during the review of Bill C–62, the act to implement the goods and services tax.

You, Mr. Speaker, and previous Speakers have repeatedly decided that "matters and procedural issues that arise in committees ought to be settled in committee unless the committee reports them first to the House". It has been quoted time and time again by yourself and other Speakers.

There are countless precedents where complaints and grievances arising from committees have been brought to the attention of the Chair, and the decision of the Chair has remained always to remain disengaged from whatever the dispute may be.

Nonetheless, Mr. Speaker, I think there are important distinctions between this particular incidence and many of the precedents and compelling reasons for the Chair and the House to reflect and decide upon this particular case.

• (1220)

You have rarely been asked, Mr. Speaker, to rule on the actions of committee chairmen which were as serious or as irregular as those which we saw in the finance committee last week.

The unfortunate ruling by the chairman of the Standing Committee on Justice and Legal Affairs in 1984 was one occasion.

Another was a case in 1919 when the House considered the second report of the "Special Committee appointed for the purpose of an inquiry forthwith as to the prices charged throughout Canada for foodstuffs, clothing, fuel and other necessities of life".

When concurrence was moved in that report in 1919 an hon. member raised his concerns about voting irregularities in the committee. Specifically, he was concerned that while he had the utmost confidence in the chair and did not mean to do anything which would denigrate the reputation of the chairperson, he pointed out that the chairman actually voted twice. He voted during the proceedings and again once to break a tie.

The member argued that "the report which purports to be the report of the committee on the cost of living is not the report of the committee, and that it should be sent back for further consideration". I am quoting from his comments in *Hansard*.

In other words, the member argued that the process was flawed, and that the committee should be told to go back and do it again.

On that occasion the Speaker in the chair did not buy that argument and permitted the House to concur in the committee report. Because that 1919 incident has like the 1974 incident become cited as precedent, I would like to point to an important distinction between the situations that faced the Speaker of that day and what faces us today.

On that occasion back on July 1, 1919, the Speaker ruled, and I quote:

> The House is only seized of the proceedings of the committee from the report that it gets from the committee. There is no reference in the report whatever to any question having been raised in committee and therefore my ruling is that it is not competent for this House to go back of the report which is in its possession now.

The difference is that today this House is seized of the proceedings of the finance committee. They have just been tabled. There is reference in those proceedings to the question having been raised in the committee.

Therefore I submit that it is appropriate for the House to "go back of the report which is now in its possession".

Those in your chair, Mr. Speaker, have usually maintained that they can only deal with committee issues when a report is made to the House or when a report on a given issue is made to the House. I suggest that that has now happened. The chairman of the finance committee has through one of its members presented to the House not only Bill C-62, in its amended form, but also the minutes of the committee meetings in which the bill was studied. The House now has in its possession, referred to it, if you like, all the evidence presented to the committee, as well as a detailed report of how the committee's decisions were made.

Included in the evidence attached to the report is the ruling made by the chairman on Tuesday, March 20, which has been the focus of so much concern. Also included are the minutes which show that this ruling was sustained when it was challenged and the minutes which show that a motion of censure was put in the committee but never decided upon.

This motion of censure was debated for several hours. No member of the committee attempted to amend it or soften it in any way. The meeting was adjourned by a committee member before the question was put, and the committee decided to adjourn without having made a decision whether or not to censure the chair.

Where does this leave the House? The committee has failed to report formally on the chairman's unusual actions, either endorsing them or censuring them. The committee has failed utterly to reach a decision on whether or not the actions of the member for Mississauga South should be censured. We all recognize the importance of a decision being made on his actions, particularly the controversial ruling of March 20.

The committee may not have made a decision, but the House in some manner must now.

If you accept the argument, Mr. Speaker, that a decision must be made at this point either to ratify the process by which this committee arrived at its report and make it a precedent or nullify it to preserve the rules as they were applied up until last week, then I would like to make a few closing remarks on just how that decision could be made.

Some months ago, when ruling on a question of privilege raised by the former Leader of the Official Opposition, the Speaker referred to a difficulty familiar to those on this side of the House. Chiefly, if the government has made a mistake, even inadvertently, if a motion is put to the floor of the House which reflects poorly on the government, that motion will invariably be voted in the negative.

For example, Mr. Speaker, if I could have convinced you to accept a prima facie case of privilege had been established and you had permitted me to move a motion of censure in this House on the activities of the committee or the chair of that committee, you and I both know that that motion would have been defeated. And the precedent would have been firmly established that committee chairs when faced with circumstances they do not know how to handle can resort to unilateral and arbitrary rulings.

That is why most procedural points are not decided by the majority. Either the rules are followed as governed by the Chair or the House decides unanimously to suspend the rules. The majority has the right to govern and the right to control the House but reasonable limits are placed on those rights. Some things cannot be done by a simple majority as they were done in the committee. They must be done unanimously.

I think that this issue as to whether or not a committee chair can invoke closure cannot be decided by a majority of one committee late one night after a marathon sitting. Nor can it be decided fairly by this House when such a decision would be clouded by the circumstances surrounding it, a highly controversial money bill, a mistaken sense of it being a confidence issue, and an extreme sort of atmosphere of hostility between the parties.

Members of the House and, I would submit, Mr. Speaker, all parliamentarians maintain that the House is by tradition and law a court, a very high court. We claim the right to oversee our own procedures and internal operations and take considerable measures to resist any infringement of our authority.

However, I am not convinced that we should maintain that authority—and I am sure many of those who elected us might agree—if we do not exercise our powers and authorities responsibly. If we are court, then we should act like a court. If we are masters of our own procedures

and rules, then we must ensure that these are mastered, not mutilated.

I am not a lawyer but I hope others here who are will at the appropriate time tell you, Mr. Speaker, that in our justice system a natural justice is always enforced. If a process is followed in our courts that is seriously flawed and demonstrated to be unfair to one side, then the result of that process is appealable to a higher court.

I think of the recent examples Canadians have witnessed when the courts turned to the government and said: "The way you conducted your environmental assessment was flawed. You did not follow the rules. You did not play fair. Go back and do it again properly".

Similarly, if in a court of law witnesses are prevented from being heard or evidence is withheld in a manner which is not consistent with legal traditions and precedents, then the outcome of that proceeding is appealable. In the justice system a mandatory instruction can in fact be issued. A decision can in fact be overturned.

I suppose the question is: Is a lesser standard of justice then applied in this House? Will a lesser test be put in the process to decide to impose a tax on virtually every good and service than was applied to the process to decide on dams and pulp mills?

I am asking for your guidance, Mr. Speaker, on the following questions: Has a precedent been set by the chairman of the finance committee in his ruling of March 20, 1990? Does a committee chairman have the right to impose closure or time allocation without debate or without decision by the committee? Has the review of the finance committee of Bill C-62 been tainted by the chairman's March 20 ruling? Last, if it has been tainted, is the report of the committee still receivable by this House?

In closing, Mr. Speaker, I am also going to make a request. Your panel of chairs for legislative committees has been developing a code of conduct. In this House we notice that the chairs are voluntarily restraining themselves from even voting at second reading on bills and are taking other steps to ensure that they not only act impartially but are seen to act impartially. It would be most helpful, Mr. Speaker, to all members of this House if this protocol could be more formally codified, printed and distributed to all offices, to enhance all of our understanding of the role of chairs when legislation has been referred to committees. I appreciate, Mr. Speaker, your willingness to hear me out.

• (1230)

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the member for Kamloops has made a masterful presentation to the House, and I congratulate him on the points that he has raised.

I think the fourth question that he put to Your Honour is the crucial issue in this case. It goes to the very root of parliamentary democracy and our sense of justice, our rules of natural justice, as they are referred to in the courts, and our sense of fairness. I suggest to Your Honour that the report from the committee has been tainted significantly by the actions of the chairman, who in my submission has acted beyond the proper bounds of a committee chairman in this case, or at least that is what it appears.

I have not had the opportunity to review the evidence in the detail I would like in order to assist the House today. I think that the activities of the chairman have tainted this report, and have rendered it one that perhaps ought not to be received by the House. It may be that the proper course to follow in this case is for Your Honour to review the facts and refer the entire bill back to a new legislative committee for detailed study.

As I say, the hon. member for Kamloops has raised this most interesting point and I prefer to have some time to look at the precedents that may exist. I would like to review the evidence of the committee in some detail, and I wonder if Your Honour would not consider taking this matter under advisement for the moment so that we could continue the discussion on Monday when there would be some time for preparation. I would invite the House to adjourn the discussion at this point so that we could continue it on Monday.

Then I will come back with proper arguments. I am prepared to advance some now, but I prefer to wait so I have had an opportunity to review the committee's work.

The Acting Speaker (Mr. Paproski): I would appreciate that very much, if that is at all possible.

I will also recognize the hon. member for Esquimalt—Juan de Fuca and the hon. member for Essex—Windsor if they have other arguments to present. I would think that the hon. member for Kamloops has brought forward a very documented argument in regard to what it is we are discussing here today.

I think if we left it at that, I would take it under advisement, and then at the same time, let us review what the hon. member for Kamloops has brought forward today in this Chamber and continue the argument again on Monday, at a more opportune time so we could allow the opposition day to go forward. Is that agreed?

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, it seems to me to be a fairly straightforward point of order, and to have the whole issue set aside for the weekend would seem to me to put in jeopardy the process that the House has launched upon where we have gone through a process of first reading, second reading, committee stage. The committee has now reported to the House.

This is one more example of the NDP and their jackboot tactics, their tyranny of the minority, coming up with a situation whereby they will not let the House continue on with the normal stages of the bill, that is, the stages that are to come, the report and the third stage.

That would be my reason for saying that I think that members can make their arguments today if they choose. The Speaker should hear which arguments it wants to, and then the Speaker can ponder on it and rule over the weekend. But to set the whole thing aside, to me would be just another example of using the tactics that we have seen in the last few weeks in this House to derail this particular issue.

Mr. Speaker, at the appropriate time, if you choose to hear the arguments today, I would like to make a few comments.

Mr. Rod Murphy (Churchill): Mr. Speaker, on a point of order, I think it is very evident that the government does not want to hear the very long points of order that we are going to have on this particular issue.

It is a very complicated matter. Most of us have not been in a situation actually to have the report from the standing committee. It was just made a few minutes ago, and I would submit that there is ample precedent for hearing arguments again or later, when notice is given.

On many occasions the Speaker has allowed arguments to be made one day later as long as notice is given. I would suggest that, under the circumstances since the Liberal party has asked for that, since there are a number of our people who would like to actually look at the report and because I am sure the Speaker would like to have a chance to examine the report himself, this would be very logical and helpful.

The Acting Speaker (Mr. Paproski): I think there is ample time to go ahead and present the arguments today.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I think you just made a great suggestion to the House that indeed it is an opposition day. We do not get many in a year. This is a very important opposition day dealing with environmental matters, dealing with a document that was tabled outside the House yesterday by the minister but, nevertheless one that touches every Canadian.

We would like to ask members of the government to concur with us. Indeed, the argument before the House touches on a report tabled by a committee which studied Bill C-62, the goods and services tax. We have asked, reasonably, that the debate on the procedural matters be put off until Monday so that we can proceed with our opposition day. I think this is a reasonable request to make since the report has just been tabled and none of us have had a chance to read it, as yet. I think it would be reasonable for us to read it. It would be good, logical procedure to have the arguments by the members for Kamloops and Kingston and the Islands put forward to the House. I would accept and we would agree with you, Mr. Speaker, that this debate should be put off until Monday.

Mr. Riis: Mr. Speaker, I have a very short intervention to make.

I thought that it was important that some remarks on this one issue be made today. What we are asking you to rule on, Mr. Speaker, is whether or not the procedure that occurred in the finance committee is now a precedent and can be used to allow chairs, forever in the future, to use similar procedures.

The point I am making is that we ought not to endorse that type of procedure. Because of the ruling that you would be required to make, Mr. Speaker, I would suggest that it would be in your interest to hear thoughtful remarks by members prior to making your decision.

As my hon. friend, the hon. member for Kingston and the Islands has indicated, perhaps we would all do well to reflect on this over the weekend, come back on Monday, or whenever appropriate, and simply have a chance then to assist the Chair in what I submit would be the making of an historic decision to set a precedent which will judge the behaviour to be followed by committee chairs forever in the future.

The Acting Speaker (Mr. Paproski): I do not think there is agreement to keep this over until Monday. Therefore, I will listen to the arguments of the hon. member for Esquimalt—Juan de Fuca.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, one of the components that I wish to add to the evidence that my colleague, the hon. member for Kamloops, has presented, I do not think is a component that should be decided this afternoon. That component is that in the very committee that the member has raised these questions about, the chairman of the committee moved a motion himself in the middle of debate.

If we do not carefully deal with this process, then we could have a precedent established in the House whereby the chairperson of a committee could move motions at any single time, not wait for seconders, and rearrange the agenda by his or her intervention. We would then have the precedent that in any committee, at any time, the chairperson could just move a substantive motion, not one to adjourn or not even to ask for a motion, but just move a motion and that is it.

I do not think that we want to rush into a quick answer on this. I understand the government's need for urgency. I understand the agenda. I am not suggesting that the majority need be compromised by that urgency, as they see it. The danger and the argument that invalidates the minister's reference to Beauchesne's is that we are here at the time of report on the precipice of establishing a principle that could be referred to by succeeding Parliaments that would hamper important decisions being made properly.

To quickly move into a decision that would encompass an experience that we have had, that may or may not have been intentional, of a chairperson actually moving a motion that would become an integral part of the business could mean that the Chair itself could use that reference in the House someday and the Chair's authority could be extended to absolute rule.

I was profoundly moved by the detailed presentation by my colleague, the hon. member for Kamloops. I was very, very interested in seeing the support from the hon. member for Kingston and the Islands and the Liberal House leader. I think this kind of decision, albeit we have important matters in front of us, is the very foundation on which eastern European countries are examining parliamentary democracy.

• (1240)

These kinds of small, separate things begin to build up as precedents and erode and evaporate the power of the total House are matters of grave concern. A 48 hour delay to allow intelligent, thoughtful analysis, not only by the opposition, but by the government, is absolutely essential.

Some day the Tories may be in opposition again, and we do not want a repeat of Tories running down the centre of this Chamber yelling at the Chair with rule books in their hands because a motion overtook their reason and logic because the rule was not clear.

I am not suggesting that anybody would be as irresponsible on this side of the House and behave the way that group did at that time. But if we allow this kind of precedent to be established, then that benchmark of terrible behaviour as evidenced by the Tories could be emulated. We want to save the House from that kind of behaviour happening ever again. No one should behave like the Tories did at that time, ever again.

Mr. Speaker, I urge you, we need the 48 hour delay. We need caution, prudence, wisdom and thoughtfulness before we allow this to slip into a precedent and allow ourselves to be bound by that precedent.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, this place always needs caution, prudence and thoughtfulness. If the members of the opposition had been a little more cautious, a little more prudent and a little more thoughtful, they might have been more satisfied with the

process. Instead, they chose to be obstructionistic. The world knows, and it is all on the public record.

I do not believe there is a point of order here. I suggest that the report which was tabled today is the return of a bill as amended, period. That is the committee report, the bill as amended.

This discussion is not about the bill as amended. This discussion is about what went on or did not go on in the committee. It is a discussion which was held about a week ago. If there was a point of order about the report, then it would be proper to entertain it. I suggest that this discussion is not about the report which was tabled in this Chamber today.

The whole premise on which these arguments is being built is a false premise. The arguments should be dismissed. We should get on with some very important business.

I am sitting here waiting to present the report of the Striking Committee related to the special committee to examine the New Brunswick proposition.

There is other important business. I agree with my friends from the opposition that the topic of the environment is important.

I suggest that either we have a point of order about the report, or we do not. If we do not, and I suggest that we do not, then this argument is irrelevant. If hon. members want to raise at some other point something about committees and the way they should function, then that is a different argument.

This report is simply a report from a committee that has amendments to a bill. It has already been received by the House. They could have raised these arguments before reception. They chose not to. It was received. It is in the hands of the House. There is nothing hon. members can do about it and there is no point of order.

The Acting Speaker (Mr. Paproski): I will hear the hon. member for Essex—Windsor and then the hon. member for Edmonton East.

Mr. Steven W. Langdon (Essex—Windsor): Thank you, Mr. Speaker, I think that—

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I apologize for interrupting my friend.

This whole thing started with the member from Kingston and the Islands asking the Speaker if he would rule today and if we could not put this matter off until Monday.

At that time the member for Kingston and the Islands had the floor. He had not finished his arguments. He was seeking direction from the Chair as to whether the Chair felt that we could possibly put this whole debate off until Monday, because of the importance of the opposition motion dealing with the environment. I can understand the government not being interested in the environment. But I do think the opposition is very much interested in the environment.

I want to ask if you would not go back after the next speaker to the member for Kingston and the Islands so that he could get his chance to finish his remarks.

The Acting Speaker (Mr. Paproski): I will take everything under advisement. I will listen to his argument. I am going to take all of the arguments under advisement so that I can rule on it Monday, or as soon as possible.

The hon. member for Essex—Windsor.

Mr. Gauthier: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Ottawa—Vanier.

Mr. Gauthier: Mr. Speaker, you say that you will take the arguments under advisement and rule perhaps on Monday. That raises another point.

The point of order that is being raised is with respect to the fact that this finance committee report which was tabled should not have been tabled because, in our view, it is not proper to table such a report.

Does that mean, Mr. Speaker, that we can take it for granted that you have not accepted that report and that you will wait until Monday when you render your ruling before you accept that report? If that is what you are saying, Mr. Speaker, then I agree.

The Acting Speaker (Mr. Paproski): I did not say that at all. The hon. member did not hear what I said. I said I would take all arguments under advisement, that I will hear arguments and give my ruling as soon as possible.

Mr. Gauthier: You said Monday.

The Acting Speaker (Mr. Paproski): I said as soon as possible.

The hon. member for Essex—Windsor.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I speak as a member of the finance committee which was engaged in the study of this bill.

The points that I want to put in front of you, in addition to those which my House leader has so ably explained, are points which refer to the effects within committee of the ruling which was placed to control committee activity by the chair of the committee. It was a ruling which, certainly in our view, made it extremely difficult for there to be valid and full consideration of Bill C-62 to be given within the committee, as was required when it was referred to it by this House.

The points that I want to refer to are four in number. The first is to buttress the point which my House leader has put forward.

It should be quite clearly seen by you, Mr. Speaker, and by the House that after the statements referred to by which the chair imposed a certain order of procedure, which he thereafter referred to as the Lachance rule, the Speaker in his ruling on the matter this week made it quite clear that there was no precedent to be attached to what took place in the 1984 committee. In fact in his ruling he made it absolutely evident that one should attach, as he put it, any "procedural flags" to what should only be regarded as an incident which had occurred within a committee.

Despite this, there was continual reference by the chair of the committee throughout the period of consideration of the bill to this as a precedent and, indeed, to the Speaker's ruling as a ruling which supported him as chair of the committee in determining that it was a precedent.

He also pointed out, and I say this simply for purposes of your information, Mr. Speaker, that he had been told of the Lachance incident by the clerk of the committee and that it was on that basis that he moved forward. Despite the fact that the Speaker quite clearly indicated to the House that the affair in 1984 should be considered simply an incident, it was clearly taken as a precedent by the chair of the committee and consequently imposed throughout the remainder of the considerations.

• (1250)

The second point which I want to make is that as a consequence of this order—and here we come to some of the rights of members of the House being undercut by what took place—a motion was moved by one of the Conservative members of the committee, Mr. Couture, to amend Bill C-62. That amendment was not permitted to be put before the committee, despite the fact that there was considerable interest in it on the part of a number of members of the committee representing all three parties.

Thus the consequence of the ruling has been to prevent a specific amendment from going forward to the floor of that committee despite the interest of all three parties in the amendment itself.

The third point I want to make to the Speaker is that as a consequence of the way in which the order was set out by the chair of this committee, it was not possible for the clerks of the committee and the clerks' branch to put in front of us as members of the committee prior to the start of clause by clause consideration of the bill the set of amendments which had been presented by all members of the committee to the committee clerk.

I raised this question in committee and the clerk was not able to give me a satisfactory explanation. Despite my request and that of other members that the amendments should be in front of us on Monday at the start of clause by clause consideration, the clerk was not able to give me any explanation as to why these amendments were not in front of us except on the day of the actual consideration of the group of clauses to which the amendments themselves referred.

Mr. Speaker, you can recognize that with the incredible complexity of the goods and services tax bill to have simply received at the last minute these amendments and to have to peruse them virtually as they were moved was not a satisfactory and acceptable way for members of this House to seriously perform their duties as members of Parliament and as members of the committee.

I could expand on that point, Mr. Speaker, but in view of the time I will not.

The fourth point that I want to bring to your attention, Mr. Speaker, is this. It has become clear in further detailed perusal of the 1984 decision of Mr. Lachance, which the member for Mississauga South claimed as a precedent for his actions as the chair of that committee,

that it was not in fact followed in the case of the actions of the hon. member for Mississauga South. I refer specifically to something which bothered me particularly. As my colleague for Edmonton East indicated in the discussion of this matter last week, one of the particular points which comes to be important is whether a chairperson of the committee can take action when that action is something which is already covered by the rules set down in our Standing Orders.

In the case of the particular action taken by the member for Mississauga South, his action was to deem withdrawn the motion which was on the floor of the committee. That, as the member for Edmonton East indicated, is something that is covered in the Standing Orders. For such a withdrawal of a motion to take place, unanimous consent is required. The member for Mississauga South claimed that the preceding incident as I will refer to it and as the Speaker referred to it, was, in fact, a precedent which permitted him, as chairman, to deem such a motion withdrawn. In fact, in further detailed checking the so-called Lachance incident in 1984, we find that no such action was taken by chairperson Lachance. Chairperson Lachance instead suspended the motion which was in front of the committee, and then announced his ruling with respect to the further points of importance to the committee's further activities. At that point, he put forward his intention to resign. What we find, Mr. Speaker, with further perusal of Mr. Lachance's decision is that the decision was not followed by the member for Mississauga South with respect to his procedures within this committee.

Therefore, we have without doubt a clear precedent, a clear breaking of the ice made by the chair of this committee, something which he claimed in committee when, following the suggestions of the Speaker, we raised these questions on Monday in committee and the chair of the finance committee claimed that it was Mr. Lachance who had broken the ice.

• (1300)

In fact, the chairman of the finance committee himself had taken a procedure with respect to deeming a motion withdrawn, something which is quite clearly set out in the rules that we have to follow in this House and in committee. He took that position without any previous incident or event to which he could refer.

All of these questions have been raised in committee, so this is not the first time they have been raised. Having raised them in committee, I feel I must raise them here now because the only protection for the minority and ultimately for the majority is that the democratic rules which are set down for Parliament must be followed. They cannot be picked and chosen on the part of committee chairmen or the Speaker of the House. They are rules which govern us all. That is what the rule of law is about in my view and, as a member of the finance committee, that is why I feel that this is such a crucial issue to bring before the House of Commons itself.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Edmonton East and then the hon. member for Kingston and The Islands.

I would just like to state for hon. members that the Speaker has already stated in his ruling that neither the Lachance incident nor the Blenkarn ruling should be treated as a precedent. The Chair has already stated that, so I concur with the hon. member's remarks.

Mr. Langdon: Mr. Speaker, on a point of order, I raised that point simply because even after the Speaker's ruling, the chairman of the finance committee continued to insist that in fact the Lachance ruling was a precedent and that the Speaker's ruling in this House on Monday had supported the chairman of the committee in making that point.

This is why it is especially important that this be dealt with in the Speaker's ruling on this further point of order.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, before briefly considering two aspects of the question before you, I wish to summarize the central contention, which is that the process by which the standing committee arrived at its report was so flawed and irregular as to render the report inadmissible in this House at this time. That is the central contention.

The report that is now to be laid before the House comes here solely by virtue of the clear violation of Standing Orders 64 and 67. That in itself should, I submit, be sufficient to deem the report inadmissible.

Further, there is the matter of the non-resolution of a privileged motion placed before the committee by the hon. member for Yorkton—Melville this week. That that

motion has not yet been resolved leaves hanging the question of the committee's procedure within the committee. This is a further irregularity of substantial and significant proportions.

Finally, neither the violations of Standing Orders 64 and 67 nor the non-resolution of the privileged motion were accomplished by unanimous consent. To the degree that they were regularized at all, they were regularized solely by virtue of a vote by the majority on the committee when clearly it has been established through centuries of practice that the only way the Standing Orders can be varied, save on substantive motion, is by unanimous consent. Within that committee that consent was never sought and certainly never granted.

The bizarre procedural irregularities through which the committee conducted its business are, in our submission, sufficient by themselves to render the product of those proceedings inadmissible in this House.

Having said that, Mr. Speaker, I wish to draw to your attention two considerations that may govern your decision in this regard. In delaying your decision fully to consider some of the extremely intricate arguments that have been made here today, you should as well rule that until your decision is made the report itself cannot be admitted. First, if your ruling is that it can be admitted, I submit that that will raise for the House these incidents in this committee to the level of precedent because it will put the stamp of approval both of the Speaker and thereafter of the House on the procedures whereby this report was brought forward.

I would ask you Mr. Speaker, to consider that very closely, very closely indeed, as you consider the merits of the case itself.

If you cause to be held off the introduction of the report in the House at this time, it will leave you unfettered in the reaching of your decision, free of considerations of having in a sense to retract this, what would at the very least be, implicit endorsement.

As well, Mr. Speaker, if you do not delay the receipt of this report and allow it to proceed at this point, thereafter consider your ruling and find yourself in agreement with the submission of the hon. member for Kamloops, the House Leader of the New Democratic Party, you will then be placed in the extremely difficult position of having to devise a way to cause the retraction of the report that has already been received.

I stand to be enlightened in this regard. I confess that I am a new member here and certainly am by no means familiar—

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Nunatsiaq.

Mr. Anawak: Mr. Speaker, I can listen to members of the NDP all day. I understood you to say that you were taking all these points of order under advisement until Monday. I wonder if we should go on to the very important subject of debating the—

The Acting Speaker (Mr. Paproski): I must listen to arguments before I take it under advisement. Therefore, I will allow the hon. member for Edmonton East to finish.

Mr. Harvey: Mr. Speaker, I actually agree with the hon. member. I am trying to wrap this up as quickly as I can.

Mr. Dick: Long-winded, aren't you?

Mr. Harvey (Edmonton East): Well, I suppose some would deem me such. I don't.

I would again call to your attention, Mr. Speaker, the problem that you may present to this House in allowing the report to be received now, should your ruling later today, Monday or whenever, be that the report is inadmissible. Therefore, I strongly urge you to hold off receipt of the report in this House at this time, until such time as you have a chance fully to consider the arguments presented to you and reach a considered ruling.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I had the floor some time ago and I asked a question of whether the matter could be deferred. Your Honour, instead of making a ruling on that, seems to have gone on with the other arguments. I feel that I have been undermined somewhat in my ability to do this now, because of the numerous arguments, some of them very able, that have been advanced by other members, particularly the hon. member for Edmonton East, who I think has quite succinctly put the points that Your Honour needs to decide.

I want to say right away that it does not require consent of the House for Your Honour to decide to defer hearing this matter. Your Honour has that full power on your own volition to make that decision. It does not require unanimous consent or agreement of the parties.

I made a suggestion that Your Honour do so, so that you could be fully versed in the facts and that the members who are putting arguments forward could also get the facts.

As I have indicated, we have not yet seen the report of this committee. It has been tabled, but copies are not yet available to me. I understand it is quite lengthy, but I do not know what it contains. I would like an opportunity to review the report so I can comment on it in making these submissions. I want to know if it says something about what went on in the committee. I want to know if it points to the procedural irregularities that make it such a repugnant document. We are not being given that opportunity before we advance arguments on it to your Honour.

• (1310)

If that is so, I will be raising more arguments on Monday, and if I discover other irregularities, I will raise more arguments whether or not Your Honour has ruled. I will bring another point of order and raise it on a separate point.

I suggest that it is unfair to require us to proceed today with this when there are other documents in existence which we have not seen. In addition, the proceedings in the committee have not yet been printed. I understand the committee finished its work yesterday, if I am not mistaken, and I do not know why members could not be allowed the courtesy of an opportunity to review those proceedings before they have to make submissions. It may be fine for the members of this House who are members of the committee to say what they know went on, but for those us who are to make procedural arguments on the basis of the improprieties of the chairman of the committee, it seems to me that we ought to have an opportunity to review those improprieties in detail.

That is being denied by the fact that I am now compelled to make arguments based on the evidence I hear from members who happened to be there and who give their versions of what happened. I am not disputing the accuracy, but anyone who has listened to witnesses know that people's recollections differ, people's view of what is important and unimportant differs, and various people will make various comments and will remember different things; memory is slightly selective.

We are hearing bits and pieces of the proceedings of the Standing Committee on Finance, which studied this bill. It would have been better had we waited until we had in hand the transcript of the proceedings so that we could discuss it intelligently and with all of us on an equal footing. But that is not to be the case, apparently. I am sorry that Your Honour feels compelled to hear this argument today rather than to defer it, since the ruling is going to be deferred, in any event.

Having said that, I want to deal with some of the substantive arguments that have been put forward. I suggest, as I did earlier in my submissions, that the important thing in this whole proceeding is whether or not this committee report is non-receivable by the House. I suggest that that is exactly what has happened.

The principle of the common law, Mr. Speaker, is quite clear, and that is that there is a requirement for natural justice, and this committee has been bulldozed by its chairman, who used bully tactics on the opposition. From the evidence we have heard, if you can call it evidence, but certainly from the witnesses who were there, on his own volition he chucked out some motion that was currently being debated before the committee, without seeking the consent of the committee, and the committee was seized with the motion.

Your Honour knows perfectly well that once this House is seized with a motion it cannot be withdrawn by the mover without the consent of the House; it has become, in some sense, the property of the House. I understand in this committee the motion that was the property of the committee and was being debated in the committee was withdrawn by the chairman, unilaterally.

That is highly improper and contrary to all of the traditions of this House. And then, this same bully chairman apparently on his own volition from what I am hearing, introduced a motion, not moved by any of the members of the committee, as I understand it. He simply introduced it on his own and said that the committee was now going to have to vote on this motion.

Mr. Hawkes: He made a ruling.

Mr. Milliken: The chief government Whip indicates that this is not correct.

Mr. Hawkes: He made a ruling and it was challenged.

Mr. Milliken: He indicates he made a ruling. Whether he made a ruling or not, he introduced the motion. That is all I am saying. Whether he did it by ruling or how he did it, he apparently put a motion before the committee and then said: "Now we are going to have a little vote, ladies and gentlemen", and he proceeded with the vote.

Of course, the group on his committee that supports the government acted as they always do when the government Whip cracks the whip and tells them to do this. They do it. They snap to it, except for a few free-thinking members like the hon. member for Calgary Northeast and I note that he was not on the committee. But had he been there, I am sure he would not have voted with this group.

The majority in the committee voted and supported the chairman in his ruling, upheld his ruling, and then in comes this closure motion, in effect, in that committee.

That was, in my view, an entirely improper exercise. We have discussed that before. The Chair has indicated that without a report from the committee, the Chair is unable to deal with it.

We now have a report from the committee. I do not know what it says, but I would hope that it has some words of censure of the chairman for these improprieties in the report. As I say, we have not had an opportunity to review it. If it does not, they should be there because clearly there have been things going on in the committee that, in terms of fairness, in terms of procedural fair play, in terms of the right of people to be heard, are improper. They were wrong and they should not have gone on. There was, as I say, a bully tactic. The members of the committee were denied their rights of free speech and that is one of the privileges of members of this House, Mr. Speaker, enshrined in all the authorities. In Erskine May and Beauchesne's freedom of speech is one of the privileges of members of Parliament.

I suggest to Your Honour that it was denied to the members of this committee by the actions of its chairman. He is supposed to be the servant of the committee not the whip, not the bully-boy. He is supposed to be the servant of the committee and he was obliged, in my submission, to act in accordance with the wishes of the committee, not just the majority, but in fact to ensure fairness as between the various parties who were participating in the proceedings in the committee.

I submit there was a failure on the part of the committee to come to a conclusion, to do a study on this bill that was in accordance with the rules of natural justice, that was in accordance with our privilege of freedom of speech, that was in accordance with our rights as members to debate fully and discuss intelligently these things and that was in accordance with the public's right to participate in the proceedings by coming and giving evidence.

The Minister of Supply and Services is mumbling from his seat again. I know that he would liked to have been a member of this committee.

An hon. member: Was he mumbling or was he growling?

Mr. Milliken: The parliamentary secretary says it was a growl. The Minister of Supply and Services is not a lion that terrifies this particular lamb I can tell him. I think that the Minister of Supply and Services should have got on the committee and participated in its proceedings. I am sure he would have made a very worthwhile contribution, and chances are if the minister had been there he would be voting against the goods and services tax because he would have heard the—

Mr. Dick: Peter, you waste more time in this House of Commons on these stupid things than everybody else put together.

The Acting Speaker (Mr. Paproski): Order, please. I would hope that we could finalize this. This is an opposition day and I am sure there are other members who would like to speak. I would hope that the hon. member would come to the finality of these arguments so that the Speaker could at least have an opportunity to review some of this and come back with a ruling. The hon. member for Kingston and the Islands.

Mr. Milliken: As I was saying, Mr. Speaker, the point I was trying to make, Sir, was that this committee report ought not to be received. I suggest that Your Honour review the report, the proceedings in the committee, the submissions that have been made by members in this House, and then reject the report. I suggest that the Chair then has the authority to refer this bill back to another committee, a new committee that will do a

proper study on this bill and then report it in due course, one way or the other, to the House.

I think that the procedural irregularities that have plagued this committee to date have rendered this report nugatory and I suggest it be refused in the House.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Churchill on a further argument. I am sure he has heard all the arguments here. Does he have something new to add?

Mr. Rod Murphy (Churchill): Yes, Mr. Speaker, I do. As you know, when I entered the discussion earlier it was basically to ask for The Speaker's indulgence which has been given earlier on previous occasions when there is a complicated matter before us in order that the parties, including the government, would have the opportunity to make further argument on Monday, which is an appropriate measure and a measure which has certainly been bound and recognized in the traditions of this House.

As the previous speaker on behalf of the Liberal Party put it, there are number of things that happened in that standing committee of which members of the House are just becoming aware. We all know about the ruling that insisted that the committee in six hours would review clauses 13 to 66 of the bill and then vote on them and any amendments. We all know that the Chair in his order, in his ruling, a ruling that was not asked for by any member of the committee, ruled that the debate must finish by Thursday afternoon and that the committee must report today. We all know that he said that opposition parties would be allowed one minute per amendment and that other members of the committee would be allowed one minute per amendment.

• (1320)

I just discovered this morning that the Chair did not enforce that rule when he did not wish to enforce that rule. In other words, sometimes he would enforce his own ruling and force members of the opposition to speak on an amendment for less than one minute on an issue of this importance. Can you imagine dealing with Clause 12, or Clause 13, or Clause 14 of the goods and services tax bill and be told by a ruling of the Chair —unsought after as that ruling was, interrupting the debate on a motion put forward in a legitimate process —that you are allowed to speak for only one minute, and to have that enforced by the Chair. And that same Chair, himself, on the next amendment, spoke for more than five, or six, or seven, or eight minutes. What kind of a rule of law, what kind of rule of precedent was that committee operating on? The Chair can tell other members that my ruling stands when you speak, but when I speak it does not matter, it does not count.

We had an intolerable situation in the committee. We are just finding out some of the things that the Chair did. There was a privilege motion. The Chair allowed himself to speak for more than one minute. He would not allow others to speak, except when he chose to let them speak for more than one minute. It was draconian. It was completely without precedent in the way that this House and the committees of this House have acted. I would submit that since the committee itself has not dealt with the privilege motion, the motion to have the member removed from the chair, that there are many things we have to worry about with regard to the conduct of the Chair, with regard to whether or not this report is admissible, whether or not the House can feel any confidence that we followed the process set out in the standing orders to have a report stage which is preceded by clause-by-clause study in a committee.

How can we go into report stage now when the document that is going to be submitted to this House is flawed? It did not follow the standing orders with regard to how a committee works. It did not follow the rules of the House in terms of how motions are made. It invoked rules which do not exist anywhere in the scope of the parliamentary practice and that those rules were not enforced in any uniform manner for all members of that committee.

We are making very serious charges against the conduct of that committee and the Chair of that committee. I would ask and request that the Speaker make sure that all members of this House and members of that committee have a full opportunity on Monday to explain their grievances against the Chair and against the committee and to explain why they believe that the committee report on the goods and services tax is inadmissible to this House of Commons.

The Acting Speaker (Mr. Paproski): I must say to the hon. member for Churchill that the Speaker has already stated in his ruling that neither the Lachance incident nor the Blenkarn ruling should be treated as precedents.

However, the Chair will take the hon. member's comments under advisement and return to the House at a later time on points of order raised.

I want to thank the hon. member for Kamloops, the hon. member for Churchill, the hon. member for Edmonton East, and all other members for their contribution in this particular debate. I will come back with a ruling as soon as possible.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate your comments but as my hon. friend for Kingston and the Islands also indicated since the report has only been tabled we have not had a chance to examine it. If there is new information or evidence that we feel would be helpful in the Chair's ruling we would certainly feel an obligation to raise that on Monday.

The Acting Speaker (Mr. Paproski): If there is something further after the Speaker has made a ruling and if the hon. member does have another point of order or point of privilege that he would like to raise he may do so.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I do not want to take overly long to intervene on this point of order because certainly this is an opposition day, the day provided for the Official Opposition. It is unfortunate that the NDP has decided to take up so much of that time but I think we as government members must respond to this point of order.

I have heard a lot of talk here this afternoon indicating that we are dealing here with fundamental principles. I agree with that. We are dealing with fundamental principles, but the fundamental principle that is being forgotten in this process, and the one that I think has been very clearly abused by the NDP members is this: There is a fundamental principle that the opposition has a right to oppose but the government must, in the end, have the right to govern. It must be able to proceed with its legislation.

That is the very fundamental and probably the most important principle of a parliamentary democracy. I think that is the question that we really are looking at here today. It is not what happened with the chairman's ruling in the committee. It is why the chairman had to rule as he did. Because, Mr. Speaker, if we look at the point of order that has been raised before us today, I think, first of all, there are a few things that have to be said.

First, as you have said several times, the Speaker has already ruled on the substantive part of this issue. The Speaker has clearly said that he does not accept this as a precedent of any longstanding. It is not a precedent with which this House is seized. I understand that argument and I am not prepared to argue that.

But the NDP members continue to insist that even after the Speaker has ruled, and even after that process was completed in the finance committee, somehow they should once again be allowed to derail and throw off the tracks this whole process. Of course, that is what this whole thing is really about. It is really a way of the minority once again acting in a tyrannical fashion or to use their own words, "putting the jackboots to Parliament". That is essentially the kind of activity that we are seeing.

You know, Sir, as Speaker, that one of the very important, fundamental roles of the Speaker is the obligation to maintain order. Of course that same principle applies to the chairman of a committee. The chairman must try through whatever means he or she has to maintain order in the committee.

What we were dealing with here in this particular committee was not your run of the mill committee behaviour. In fact, what you are dealing with, Mr. Speaker, was very extreme behaviour by the NDP party. Extreme to the point that I am not sure any of us, certainly in my memory, in my 10 years here in the House, have I seen that kind of behaviour of people running around with little pink pillows, slippers on their feet and bells on their toes! I mean, Mr. Speaker, surely, if ever there was an example of extreme childish behaviour, that certainly was the case.

Now, if my memory serves me, the committee had sat in a marathon sitting for something like 36 hours. Thirty-six hours of non-stop sitting simply because the NDP members were not prepared to deal with substantive debate to allow the House and committee to proceed. They wanted strictly to play games, not only as they had demonstrated in this committee, but as they

had demonstrated previously here in this House. That is what we have been living with now for several weeks, to the point that the third party have themselves so pumped up that they now think they are the Official Opposition. They now think they have the right to tie up the House of Commons, to tie up the committees, to do whatever they choose and totally frustrate the government from its right to govern. And I might add, Mr. Speaker, the right of the Official Opposition to perform their role. We see by the very fact that the NDP members have raised this point of order today that this is a demonstration of their arrogance and their callousness.

We have an issue which we consider important. It is an issue on the environment which has been raised by the Official Opposition. But what has happened? The NDP member chose to raise a point of order. They have now used up almost one hour and a half of time that could have been used to debate that issue. They chose to do that, I argue, not because of what happened in the finance committee but because they have chosen to demonstrate to this House that they are going to derail, threaten, intimidate and do whatever they have to do to delay this House, the government and even the Official Opposition from performing their roles.

• (1330)

Let us return to that basic fundamental principle of a government being able to govern, and a chairman being asked to maintain order. One of the things that I think we have to remember is that we were dealing with a very extreme circumstance. The behaviour of the chairman of the committee was not something that is done every day.

Why was it done this time? Because the circumstances in which the committee found itself was a circumstance that was in itself extreme. It required an unusual approach by the chairman. The chairman had to take some very unusual approaches in order to maintain order and decorum in that committee. The chairman had to keep order. The point we are making is that order had to be maintained with extreme actions.

One other point I want to make is that we have a very fine balance of rules in this House to protect the rights of the majority and to protect the rights of the minority. We had in this committee a demonstration of those rules working. What happened is the chairman took a very unusual action to solve a very unusual problem caused by the childish behaviour of the NDP. What followed is what should happen. Immediately there was a challenge to the chairman's ruling. The question was put to the committee and the committee sustained the chairman. The rules were being followed in exactly the way that they should. There was the check and the balance that was necessary to make sure that the chairman did not in any way abuse his or her authority.

Not only have we got a ruling in the House on this particular issue, we also have a decision of the committee sustaining the role of the chairman and the action of the chairman because the chairman was dealing with extreme childish behaviour on the part of that third party, which was disrupting all of the rights and opportunities of both the government members and the Official Opposition members.

The House leader of the NDP, in raising his original point of order, asked four questions. Is it a precedent? If he had read the ruling of the Chair he would know that the Chair had already said no. It is not a precedent in this House.

Second, he asked whether the chairman can introduce closure. The chairman could do it, did do it and was sustained by the committee for having done it.

The third question was whether the report had somehow been tainted by this behaviour. If it has somehow been tainted, can it be accepted? No. The report has not been tainted. I will tell you what has been tainted in this process. What has been tainted is the reputation of the NDP party. They have gone beyond—

Mr. Riis: Mr. Speaker, the hon. member for Peace River has referred to the NDP party. That reference does not make any sense. The letters NDP refer to the New Democratic Party. To refer to the NDP party means he is referring to the New Democratic Party party. That does not make any sense. I ask the hon. member to think when he is talking and think about what he is saying. To refer to the NDP party, granted, some of my colleagues were taking moments of that committee rather lightly but I would not call it a party that they were having. It was not an NDP party, it was the NDP attempting to bring some sense to that committee so that the people of Canada could be heard.

The Acting Speaker (Mr. Paproski): The Chair has really heard wonderful arguments today.

I think we should lay it to rest so I may assess the matter and come back.

Mr. Cooper: Mr. Speaker, my apologies for referring to the NDP party. I do keep referring to the NDP party, and it is because I think of the New Democratic People's party. The fact is that, whatever you call it, they have been acting in a childish and tyrannical fashion, and really have been abusing the rights of both the government and the Official Opposition.

Mr. Speaker, I want to leave you with three questions that I think need to be considered, since you are considering the four questions that were put on the floor by the NDP House leader.

I think there are three questions that need to be examined because they go to this fundamental principle. First, were the NDP exceeding acceptable standards of behaviour by not allowing debate but instead grandstanding, filibustering and delaying, not only in the committee, but in the House previously. I think they have been doing that. I think the answer to that question is yes.

Second, if their behaviour was abnormal—as it certainly was— then did it not require an unusual response? I think the answer to that question is also yes.

The third question then, is: Does the third party have the right to filibuster, delay and prevent the real opposition from debating, or the government from governing? That is the question that goes to the fundamental principle that the Opposition does have a right to oppose, but the government has a right to govern. That is the very fundamental principle that these characters, in their childish, jackboot tactics and approaches, have forgotten.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I made the statement not too long ago that I felt there really was not a point of order here.

I have listened now to interventions by very many people, and I would just like to spend a minute or two to deal with the substance of the issue. When I first was elected to this Chamber some 11 years ago, I read a lot about it. I read a lot about the precedents of the House of Commons.

It has been a longstanding practice, going back to the beginning of the parliamentary system, that Speakers from time to time make rulings that are not covered in any kind of exact way by the Orders of the Day. The House then can divide on whether or not to uphold the Speaker. Speakers, going back for hundreds of years, have ruled that the tyranny of the minority must be brought to a close, and have submitted that ruling to the Chamber and the majority in the Chamber rules.

That is what happened in committee. It is not the first time it has happened in committee. I suggest to you it will not be the last time. The minority cannot be allowed to hijack the business of the people, to cause extra expense for the people, and on and on and on.

We have dealt, in this Chamber, with the provision of two rules that have to deal with the issue before us today. We have had for many years a closure rule that is put without debate or amendment, and the House divides. That could have been done. We have another form of limiting debate called time allocation. Members will know that this Chamber decided that the maximum length of time for debate on time allocation is two hours in the Chamber.

That party, with its pillows, blankets and bells on their toes debated a time allocation motion for better than 31 hours, 15 times the allowable time in this Chamber, at great cost to the taxpayers of this nation.

• (1340)

Perhaps the Chamber should entertain a motion of appreciation for the chairman of the finance committee for his tolerance as a chairman in protecting the third party, the NDP party—

Mr. Riis: Order.

Mr. Hawkes: —for as many hours as he protected them in their decision to blockade this Chamber and the business of this Chamber.

The Acting Speaker (Mr. Paproski): I will entertain another point of order but I think the Chair has heard enough arguments in regard to this and I think that we should carry on. I will listen to arguments, but I feel that members are taxing the Chair a little today. I would hope that members would come to a conclusion so that I can make a ruling on behalf of the Chamber. The hon. member for Kamloops on a point of order.

Mr. Riis: Mr. Speaker, on a point of order, just to add one additional point to the debate. A member who spoke indicated, in directing a comment to you, Mr. Speaker, that the chair of the finance committee referred to the Lichens precedent and that the Speaker in this House indicated in his ruling the other day that the Lachance circumstance would not be considered a precedent.

He said nothing about the Blenkarn incident. I just want to make that clear that he was referring to the Lachance justice committee circumstance when he said this must not be considered a precedent. The hon. member for Mississauga South indicated that he considered it to be a precedent but the Chair indicated that it ought not be and he certainly said nothing about the Blenkarn incident. That is the point we are trying to make. We do not want that to become a precedent.

The Acting Speaker (Mr. Paproski): I am not going to argue with the hon. member but I think that when he referred to the Lachance committee he knew who the chairman was in the committee. I would suggest to the hon. member—I may be wrong—that he might have referred to Blenkarn.

In any event, was the hon. member for Chambly rising on this point or was he going to ask the hon. minister a question or comment?

Mr. Edmonston: Mr. Speaker, I was going to make a comment.

The Acting Speaker (Mr. Paproski): A comment in regard to this point of order?

Mr. Edmonston: Addressed to one of the principles that were raised by the parliamentary secretary.

The Acting Speaker (Mr. Paproski): I think I have heard enough arguments today in regard to the matter here today. I think we should carry on. I will listen to the hon. member's point of order. The hon. member for Chambly.

Mr. Phillip Edmonston (Chambly): I will be very brief. I have also been very patient listening to the arguments raised on both sides of the House but I find that one of the principles that has been overlooked is the principle of *audi alteram partem*. I would appreciate if you take a look at that principle, Mr. Speaker, which means that all parties should be heard.

The opposition, whichever party we are talking about in opposition, argues that this principle of *audi alteram partem* has to be respected. If we take away the tools of the opposition so that the parties be heard, we cannot be in opposition. It is a farce.

We hear the argument that might makes right, that we have to govern, but one of the principal ingredients of governing correctly is listening to all parties. One of the reasons for this situation is that the parties were not listened to.

The Acting Speaker (Mr. Paproski): I will now conclude by thanking hon. members: the hon. member for Kamloops, the hon. Whip, the hon. parliamentary secretary, the hon. member for Edmonton East, the hon. member for Kingston and the Islands, all the hon. gentleman who have contributed. I appreciate all the arguments that have taken place here today and I will take everything under advisement and come back as soon as possible to make a ruling.

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COMMITTEES OF THE HOUSE

STRIKING—THIRTY-FIFTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the thirty-fifth report of the Striking Committee and if the House will give its consent, later this day I intend to move concurrence in that report.

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

* * *

[*Translation*]

STRIKING COMMITTEE

THIRTY-FIFTH REPORT CONCURRED IN

M. Jim Hawkes (Calgary West): Mr. Speaker, with leave of the House, I move, seconded by the hon. member for Ottawa—Vanier.

That the Thirty-fifth report of the Striking Committee, tabled earlier today, be concurred in.

The Acting Speaker (Mr. Paproski): Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

POINT OF ORDER

MEMBERSHIP OF COMMITTEE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, now that the important committee has been struck and the members identified, at an earlier House leaders' meeting there was an undertaking by the government House leader that there be consultations between the parties as there normally is when we are appointing such an important committee regarding the chair of the committee.

I have been reading news reports that presumably a chair has been decided. Because we had these discussions in the House leaders' meeting that indeed there would be consultations, I want to ask the Whip whether there have been consultations. I am not aware of consultations but perhaps they have been going on around me and I am not aware of them.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, the government House leader convened a meeting with the member for Ottawa—Vanier who is both House leader and Whip, and the Whip of the New Democratic Party last Friday. The meeting took place around four o'clock, shortly after the Chamber had shut down last Friday, where we discussed the motion and so on.

There was no undertaking. I was present at that meeting as the Whip of the government party, and there was no undertaking at that point to discuss specifically the issue of chair. We talked about the substitution principle, the number of members, the allocation of members, the 72 hours for the striking committee to meet and those kinds of things, but there was no formal undertaking. I was not at Tuesday's House leaders' meeting of this week to know if there was an undertaking made on Tuesday of this week. Because of business in the Chamber I was not there.

I see my friends opposite indicating that there was no such undertaking made at Tuesday's House leaders' meeting as well. Certainly, as the Whip of the government party, if I could bring the House up to date, I have asked the clerk responsible for committees to consult with all three parties about a suitable time to hold an organizational meeting and I have suggested that Monday or Tuesday would be appropriate, if that was agreeable to the other two parties. I made that suggestion to the Table.

When we are dealing with a special committee we do not have the same sense of process laid out as we do with a legislative committee or a standing committee, but I thought the standing committee process of the clerk chairing the election of a chairman would be appropriate in this circumstance and that is the advice that I provided to the Table. But I asked the Table to consult with the other two parties and if there is a problem we will be glad to meet. If the leader of the New Democratic Party would like to meet with me to discuss possible chair people, I would be glad to do that as well.

Mr. Riis: Mr. Speaker, perhaps the Whip misunderstood my question. In an earlier House leaders' meeting, the government House leader gave us his commitment that there would be consultations regarding the chair of this important committee. Because of the nature of this committee it is not following the normal channels. I think that the process being followed has been appropriate.

However, I was given an undertaking by the government House leader that there would be consultations. There have been no consultations and that is why I say, when I was reading in the media reports that a Chair had been selected or would be appointed, I thought that perhaps there had been consultations that I was not aware of. However the Whip has said that there really had been no consultations. My concern was that a commitment had been made by the government House leader and it appears not to have been kept.

• (1350)

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I must tell the House that Tuesday was the day the Prime Minister made his speech on the McKenna proposition, the companion resolution, which is the object of discussion in this committee. There were no

regular House leader meetings because we were interested in the comments by the Prime Minister.

There were two ad hoc meetings. They were not regular patterned meetings of all the people present. We had a meeting later in the afternoon around five o'clock with the House leader. If there was an undertaking given to the House leader of the NDP, I was not aware of it, as I was not there. I think that the process would be much better served if there were consultations with the opposition parties in chairing such important committees. I think there has been a tradition for House leaders to consult with other House leaders as to who should be the chair.

We do not object to the government wanting to chair that committee, but we would like to feel that the subject matter is so important and of such great interest to Canadians, that all parties will agree to a consultative process before the chair is named or elected by the majority. Whether the government likes it or not, it is going to have its way. It is going to win this debate because it has eight members; we only have four and the NDP only have two.

What we are pleading for, Mr. Speaker, is understanding, co-operation, reasonableness, intelligence and possibly some wisdom.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I think one thing we all understand is that the choice of chairperson is limited to the 15 members who were just named and approved by the House. That happened about 10 minutes ago. I would be quite happy myself, or my House leader, to meet and consult with the opposition. I see it as an electoral process which will take place no sooner than Monday, and maybe not until Tuesday or Wednesday of next week, but there will be a normal organization meeting when the election of a chairman will take place.

I would assume some vice-chairman will be glad to talk about that. I think it serves the nation well if we are all comfortable with the way that that committee proceeds and with the chairmanship of it. We would be pleased to try and facilitate it with our colleagues.

We have only known the entire membership in any kind of an official way for about 10 minutes. Maybe we are not behind time yet in terms of consultations.

The Acting Speaker (Mr. Paproski): Petitions.

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I rise under Standing under 36 to present—

Mr. Hawkes: Was the motion carried?

The Acting Speaker (Mr. Paproski): Order, please. Yes, the motion was carried.

I do not wish to argue with the hon. member for Kingston and the Islands, but I recognized the hon. member on a point of order after it was carried. The hon. member for Edmonton East on petitions.

Mr. Harvey (Edmonton East): Mr. Speaker, the last thing I would want to do is disrupt the proceedings of the House.

I rise under Standing Order 36 to present a pride of petitions signed by a total of 1,452 Canadians, most of whom are Albertans and most of whom are Edmontonians who sort of call into question the assessment of the hon. member for Mississauga South, as reported in today's papers that popular opposition to the GST has died. It has not. That popular opposition is still out there and growing every day. These papers are testament to that.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition from my province, the province of Quebec, indicating as my colleague from Alberta has said, the popular opposition to the GST is not dying down, in fact it is increasing.

I have 3,639 names here from places such as Matane, St. Hyacinthe, Chambly and elsewhere in the province of Quebec.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, pursuant to Standing Order 36, I am tabling today a petition from Lebel-sur-Quevillon, in Quebec, concerning the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Lebel-sur-Quevillon is without question an isolated area, and that is why your petitioners consider the Brunelle recommendation to be discriminatory, unfair and inefficient with regard to the purpose of the North-

ern tax benefit system. It does not encourage settlement in the North and offers no incentive to develop northern resources.

[*English*]

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have five petitions today. This is among the hundreds that I have tabled over the last few months dealing with this very unacceptable and intolerable GST, the government's proposal to impose the goods and services tax on all goods and services that Canadians purchase, starting in January 1991.

These petitioners say that the federal government's imposition of this 7 per cent sales tax will virtually apply to everything, will be unfair to low and middle income Canadians and will create an onerous burden on small businesses.

The people who have signed this petition strongly oppose this goods and services tax which is in their opinion an unprecedented tax grab from the pockets of Canadians. They will be hit not only with higher taxes but with higher inflation, higher interest rates, and higher unemployment.

The petitioners humbly pray and call upon Parliament to reject this proposed goods and services tax.

[*Translation*]

POST-SECONDARY EDUCATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have another petition from students in my riding at the University of Ottawa. It is a petition I have tabled in the House many times before, in which your petitioners beg the House of Commons to do something for postsecondary education and improve the quality of and access to our universities, colleges and educational institutions for Canadians.

Mr. Speaker, the petition is rather long, but basically it argues in favour of a federal-provincial conference between the federal government and the provinces that would clearly establish the financial responsibilities of both levels of government with respect to postsecondary education and would end the present shameful neglect of postsecondary education in this country.

[*English*]

GOODS AND SERVICES TAX

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have three petitions to present. One is from 1,000 residents of Canada who point out that, ever since Confederation, the Government of Canada has applied a zero rate of tax to magazines, books and newspapers which it now proposes to include in the goods and services tax.

They also point out that uninhibited dissemination of the printed word as a cornerstone of democracy, culture, education and a literate and productive society will be negatively affected by the GST application. Therefore they ask Parliament to reaffirm the historic principles embodied in free tax status for the printed word by retaining the zero rate in the GST legislation and regulations for the printed word.

LOW-LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have a petition from 200 Canadians who join with the Assembly of First Nations, the Innu of Labrador and other aboriginal peoples of northern Canada in opposing use of their lands for NATO and NORAD attack training.

They ask this Parliament to oppose the establishment of NATO operations in Canada, especially at Goose Bay, and to redirect funding used for this toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihood and for promoting sustainable development for all Canadians.

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have another petition from 140 Canadians concerning VIA Rail who oppose the reduction or elimination of VIA Rail service.

They ask Parliament to modernize the existing equipment so that VIA Rail can provide a world-class service to Canadians and to build a high speed passenger train between Montreal and Windsor.

CANSO FISH PLANT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I have the honour to rise, pursuant to Standing Order 36, to table five separate petitions.

The first one is a timely one. It concerns the closure of the fish plant in Canso. It has the signatures of over 200 persons who are calling upon Parliament to intervene wherever necessary to ensure this fish plant, which is now closed, is re-opened on an urgent basis to provide employment for the more than 700 fish plant workers and 140 trawler workers from this community.

VIA RAIL

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I have a second petition to present on behalf of the students of St. Francis Xavier University, as well a separate one on behalf of the town and county of Antigonish.

It concerns the closure of the VIA Rail trunk between Sydney and Truro. I would like you to know, Mr. Speaker, that the citizens of this area have not forgotten and are still calling upon Parliament to insist that this government reverse this wrong decision.

ABORTION

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the third petition bears upon the question of abortion. It is from constituents who join with many other constituents who have signed their names on previous petitions to call upon Parliament to uphold the sanctity of human life from conception onward.

• (1400)

GOODS AND SERVICES TAX

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Finally, Mr. Speaker, the last petition concerns the onerous and unfair goods and services tax.

My constituents are in solidarity with the rest of Canadians who oppose this tax and call upon the government to withdraw this measure urgently.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition here signed by a number of people from the Halifax—Dartmouth area. This petition was given to my very distinguished colleague, the hon. member for Dartmouth, who represents the people of his area so well in this House.

These people are asking the Parliament of Canada to reject the federal government's proposed GST, which of course stands for the grief and suffering tax of the Conservative Party. They call upon all of us to oppose vigorously this most unfair measure of the government across the way.

Obviously it is very timely to present this petition today when the government is trying to ram this unfair tax through the House of Commons. I am proudly in solidarity with the people who have signed this petition.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, again it is my privilege to present a petition on behalf of a number of citizens from Kamloops, British Columbia; Chase, British Columbia; and Logan Lake, British Columbia, all of whom point out that the government's goods and services tax is a mean, cruel, brutal, uncaring, undemocratic, regressive tax with a special bias against western Canadians. They ask the government, for those reasons as well as others, to rethink it and abandon it.

I have other petitions but I will leave them for another day. I would like to get on to the opposition day.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure of presenting a petition signed by residents of Windsor who are represented in this House by my hon. and learned colleague, the hon. member for Windsor West, the Leader of the Opposition. I can say he is responsible for gathering the signatures on this petition through his diligent work in his riding of Windsor West.

These Canadians object to the goods and services tax being introduced by this government. To use the adjectives applied by the hon. member for Kamloops would be putting it mildly. These residents are outraged that the government is proceeding with this tax and call upon Parliament to reject it.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally will be indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 240 and 250.

[*Text*]

SHOAL LAKE—FOOD CHAIN AND TRANSPORT OF HAZARDOUS MATERIALS

Question No. 240—**Mr. Harvard:**

Does the government intend to take any action (a) to ensure that cyanide complexes of mercury and other heavy metals have not entered the food chain on Shoal Lake (b) to stop the transport of hazardous materials across the lake on ice roads over which no authority has designated jurisdiction and on unmanned barges which do not require a certificate of inspection and, if so, what action?

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I am informed by the Departments of National Health & Welfare and Transport as follows:

(a) At the present time, no.

(b) There was some preliminary drilling exploration at Shoal Lake, but the exploration was stopped when the site was designated as requiring an environmental assessment by the Ontario Ministry of the Environment. There is no transportation of dangerous goods taking place at the moment.

The Transportation of Dangerous Goods Act is continuously under review; some of the amendments being considered would ensure that all transportation of dangerous goods would be covered, including transport on ice roads.

MR. HUGH D. SEGAL

Question No. 250—**Mr. Comuzzi:**

1. Is Mr. Hugh D. Segal, who has been identified on recent public affairs programs on Canadian and United States networks (CBC and PBS) as "communications and strategic advisor to the Prime Minister of Canada", in the employ of the government and, if so (a) is he on the Prime Minister's exempt staff (b) is he an indeterminate employee of the (i) Privy Council Office (ii) the Prime Minister's Office (c) is he at present, or has he recently been, under contract to either agency (i) individually (ii) through any firm of consultants or lobbyists (d) what are the terms of his employment, including (i) duration (ii) remuneration (iii) definition of tasks or duties?

2. If there are no such arrangements providing for Mr. Segal to be an advisor or consultant to the Prime Minister, are steps being considered to stop this identification of Mr. Segal with the Prime Minister of Canada?

Mr. Leonard Gustafson (Parliamentary Secretary to Prime Minister):

1. No
(a), (b) and (c) no
(d) N/A

2. N/A

[*English*]

The Acting Speaker (Mr. Paproski): The questions enumerated by the parliamentary secretary have been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

BRITISH COLUMBIA FOREST AGREEMENT

The Acting Speaker (Mr. Paproski): I have an application under Standing Order 52. I will hear the hon. member for Prince George—Bulkley Valley.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I shall be very brief. As you so rightfully said, I wrote to you this morning, under the provisions of Standing Order 52, essentially to draw to the attention of Parliament and to call for an emergency debate on the expiry tomorrow of the forest agreement between British Columbia and the Government of Canada.

Other forest agreements in this country expired a year ago as of tomorrow and have yet to be renewed. It is most critical that this Parliament, on the last sitting day before that agreement expires, has an opportunity to debate this agreement and to debate how critical it is to British Columbia and to this country.

In light of indications I have that the lapse of this agreement is causing concern within government, we have the senior Forestry Canada official in British Columbia and the senior administrative official in British Columbia meeting to cancel meetings. In light of the question around this agreement, I think it is important that this Parliament debate the renewal of that agreement today.

I ask that you rule favourably on this matter. I hope you will consider it so that we can indicate that we really care for our environment and our forests.

The Acting Speaker (Mr. Paproski): I have had an opportunity to review the hon. member's request. Although I consider it to be very important, I really feel that at this time we just cannot have a debate.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ENVIRONMENT

The House resumed consideration of motion of Ms. Copps:

That this House condemn the government for its lack of a sincere commitment to the environment and for its vacuous discussion paper which completely fails to offer the concrete action that all Canadians would like to see implemented and, therefore, call on the government to end the rhetoric and to introduce a truly substantial environmental action plan.

The Acting Speaker (Mr. Paproski): I believe there were nine minutes left in the hon. minister's questions and comments, and I think the hon. member for Chambly had the floor on a question or comment.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I would like to carry on. I was addressing my question to the hon. Minister of Forestry. *The Green Plan* on the environment released by the hon. Minister of the Environment yesterday seems to indicate that the government is long on rhetoric and short on action.

I was asking my hon. colleague, the Minister of Forestry, whether that lack of action is not directly related to the funding by the huge corporations that we know the Conservatives have been receiving for quite some time. That funding seems to present a conflict of interest. Even *The Globe and Mail* has come out with reports that Environment Canada has been given special lists of those companies which it should really not go after for pollution infractions and environmental problems that they have created.

Does this not present a logical response to the question that many Canadians are asking: Why is the government not doing anything for the environment? Could it not be because the corporate interests are more important to the Conservative Party than Canadians' interests?

Mr. Oberle: Mr. Speaker, I answered my hon. friend's similar question just before the end of the debate.

First of all, these people make up their minds before they actually read the documents that are before them. The more objective observer is somebody who writes, to be honest, on the staff of *The Ottawa Citizen*. A staff report says: "Environment minister Lucien Bouchard's Green Plan makes several specific proposals which include a safe drinking water act, national standards for all industries, regulations for biotechnology, a promise to complete at least five new parks by 1995 and complete the entire park system by the year 2000", which I spoke about in my comments.

The hon. minister announced in the House that there will be, even before this action plan is put into place, strict regulations on pulp mill emissions which will be announced shortly.

These are firm commitments, strong commitments, that are celebrated throughout the country, and, speaking of action plans, I made this reference earlier and the Speaker cut me off.

We talk about the commitments members of the NDP had to the environment. Of course, they jump up and down here and put on a great show, but Mr. Derek Young who is the director of the Western Canada Wilderness Committee had this to say. This is from this morning's press. There are reports like that every day. He said: "I am really disappointed that the NDP has not formulated a policy on how to deal with old growth forests, and how to deal with wilderness areas or parks, or how to deal with the Carmanah Valley which has become such a focal point for the environmental movement throughout the country." This is what Mr. Young said, and he is no stranger to the NDP.

Being in politics in a political party, as the hon. member will discover since he has joined this particular political party, is like a religion. You cannot choose the people who want to join. At least this party is open to everybody who wants to join, everybody who feels strongly about the commitment that a particular political party has, its philosophy and its ideology, and who from time to time, makes a contribution, either in terms of a personal commitment in time, or knocking on doors, or a financial contribution. That is the essence of our British parliamentary system.

• (1410)

I am sure there are people who join the socialist party and cause them embarrassment. Luckily, in our party we do not have people like that. We have Canadians from all walks of life who want to join us. Of course, that is

reflected in the numbers of people who represent these kinds of people in the House of Commons and who are spilling over even onto the other side. You have enough seats for these members. They want to join us and they want to contribute and they want to celebrate and support the kind of things we are doing, which, in the long run, will prove to be very, very positive for the future of all Canadians and the future of our children.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, maybe the last member who spoke for the government has not quite kept track of what the Canadian public has to say in reference to the party that is spilling over to this side of the House.

I would like to refer to last night's *Journal*, if I may. I believe it was one of the representatives of Friends of the Earth who said that the report of the minister yesterday was really inadequate. It had not gone anywhere near far enough. In fact, he said it said very little, and certainly said very little that was new.

The questions the government asks in there have already been answered. To do anything along the lines that the government is proposing is simply to delay. That is obvious. The answers to the questions are already there. There are technological improvements already in existence which go far beyond, for example, the energy needs of the nation, if they would only be implemented. These range all the way from energy efficient light bulbs to other forms of illumination, transportation and energy use.

It is hypocritical of the government and it is hypocritical of the minister yesterday, and I might also add, arrogant, not to have presented the paper in Parliament. But it is hypocritical for them to come out with a paper claiming to be so innovative and so consultative, when they had the opportunity previously to do consultation, when there were previous opportunities to listen to what the people of Canada were saying, and when they had the opportunity to listen to the experts in the fields, which the paper is supposed to address. Most of the information that is available has already been supplied. They ignored that and came out yesterday to say that they are doing something new. They say they are going into the 21st century, making Canada a leader in care—

An hon. member: Having just arrived in the 20th.

Mr. Fisher: Precisely, leading the world into the 20th century. The same old rhetoric, when really less is more, from their point of view. In the context of more is less, less is more. It does not matter what it is; it is always the best. This government is doing the best that has ever been done in this nation.

This paper is a prime example of how that is exactly not true. I ask the member opposite who just spoke: Why on earth have you not listened previously to the people who are experts in the field of the environment? Pay attention to the information that is already available.

Mr. Oberle: Mr. Speaker, perhaps the hon. member is not a speed reader. This thing just came out yesterday. But, if he had read it, he would probably discover that we are laying out some very specific questions here that Canadians need to address, questions around very specific propositions that this paper concludes. I just read them out. Do you want me to read them again?

Instead, it would tell him that some of the questions and some of the propositions that are in this paper relate to the cost, in human terms, potential job losses; the cost in giving up some of the lifestyles that many generations of Canadians have become accustomed to. There are real dollar costs in some of these things. The potential of a designated carbon tax. My hon. friends over there, 10 minutes ago, defended with their lives the principle of allowing people to be heard. We are giving six months to allow the people to be heard on some of the very specific propositions that are laid out in these papers. In the fall, we will have an environmental agenda and we can only assume and hope that, by that time, even that party will be enlightened enough to support these initiatives.

The Acting Speaker (Mr. Paproski): I regret that I have to interrupt the minister.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I would just like to add that I did read the report, and I would like to direct my remarks to the Minister of Forestry. The report is not that difficult to read. It is 30 pages long, and there are two pages for notes in French and there are two pages, which are blank, for notes in English. I suppose that is if you want to write in English or in French on the notes pages.

Frankly speaking, this is a very disappointing document. I understand the hon. minister's discomfort in having to defend such a document. It is almost a document that should be carefully examined by the

Consumer and Corporate Affairs Department, for misleading advertising.

The real question here is how can the minister respond to the question that many Canadians are asking: is more consultation not a substitute for action when we already know the answers?

The Acting Speaker (Mr. Paproski): The hon. member has used up three minutes of his debate. I wish he would carry on with the debate.

Mr. Edmonston: I am sorry, Mr. Speaker. I thought I was in debate stage. Now I know better.

The Acting Speaker (Mr. Paproski): The hon. member now has the floor on debate.

Mr. Edmonston: Mr. Speaker, I will try to make it perhaps not as profound but at least as educating as I can. I believe that the document we are looking at is a document which should be examined not only for misleading advertising but for the only relationship it has to the environment, that is it uses recycled rhetoric. On the solution to environmental problems, it essentially takes an approach which is garbage in itself. The reason I am saying that is that 16 years ago the other government, the Liberal government, said essentially the same thing: that we need to be consulted before action is taken. It is a bit much, after 16 years, to have a Conservative government, two years after being re-elected on an environmental platform, coming out with the same need for consultation. Many people expected the government to put the accent on action. A number of consumer groups and environmental groups have criticized the government, and I respect the hon. minister's response that there were a number of groups which have supported the government's lack of action. There are also a number of groups, such as Friends of the Earth, which say that there is no action at the moment but just a way to delay action in the future.

There are people who expected action from this government. The people from Saint-Basile-le-Grand expected action from this government. I have a letter here from the mayor of Saint-Basile-le-Grand who is still waiting to see the government show leadership on the treatment of PCBs. There are two resolutions from the city of Saint-Basile-le-Grand, asking the government to act. Unfortunately, the document that has been given to us in *The Green Plan* has nothing that would benefit the people of Saint-Basile. It has nothing that will benefit the people of Saint-Amable, where there are problems with mounds of tires.

• (1420)

I know that whenever we are uncomfortable with the response on the government side, we can say that it is provincial responsibility, but even then we are coming into a serious situation because the province is not accepting this. I can tell you that even in dealing with James Bay, Phase II, the government is faced with a serious problem and that it cannot even get its act together with the provincial Government of Quebec as to how to hold hearings.

[*Translation*]

Mr. Speaker, I may add that I was very disappointed in the Green Plan released by the Minister of the Environment yesterday. I have known the minister for a long time, and I know him as a man of integrity, and a very competent man, who is not being used to best advantage by this government. I am sure he was very disappointed to see the action plan's initial 250 pages—whose contents were no secret—reduced to 30 pages with four pages of notes, two in French and two in English. I think it is unfortunate to see an Environment minister reduced to endorsing lack of action on the part of the federal government.

All I can say is, we have no answers to the questions the government wishes to raise—because basically, the document contains only questions—we have only questions. These questions have been asked before, and I have the paper here. They were asked during a CROP poll, and I am referring to the one in May 1988, which is a good example.

[*English*]

I would like to bring to the attention of the House and particularly to my hon. colleague, the Minister of Forestry, that the questions he is asking in this Green Paper have already been asked two years ago, and the answers were very surprising.

For example, the willingness to pay is a very major question: the willingness of Canadians to pay. What is it? Well according to this survey, a national survey, 8 out of 10 Canadians are willing to pay extra for environmental

protection. How can my hon. colleague, the Minister of Forestry, say that that question has not been answered? It has been answered. In fact it seems that Canadians across the country are more in favour of paying for controlling pollution than polluters themselves or even the government. It is not the time to re-ask the question.

But I just want to bring to the minister's attention several points here about willingness to pay. Not only 8 out of 10 Canadians, approximately 78 per cent, said they were willing to pay extra for increased spending on environmental protection, but when Canadians were asked to choose between alternative mechanisms for this contribution, almost one in two, almost 50 per cent, said they would be willing to accept a 1 per cent surcharge on their income taxes. Canadians are willing to pay extra to clean up the environment. Is the government doing its part? Not by re-asking the question it is not.

In addition, Canadians have expressed themselves very clearly about toxic chemicals, another question which is asked in the minister's Green Paper, and is being asked again after two years. In the survey that was done two years ago, toxic chemical pollution came out as being at the very top of the list of environmental concerns, along with clean water supply. It even surpassed acid rain as an issue in 1988, and only one-third of Canadians believed that the mechanisms now in place to control toxic chemicals are adequate to ensure public safety. Over two-thirds of Canadians feel that in the toxic chemical area the government is not doing its job.

Environmental health is one question that concerns most Canadians. The concern about environmental health is one to which Canadians responded most emphatically, and that is another question being re-asked two years later. Asked about how concerned they were about environmental pollution, eight out of ten Canadians again said they are very concerned about human health and safety. Their second major concern is for future generations. Further questions on possible impacts of pollution reveal that nine out of ten Canadians believe that many peoples' health has already been affected by existing pollution levels. That means that they feel that the cancer that is going to be caused, and the people who are going to be affected have already become affected. What a sad thought, that we are already at the point of no return. No wonder that this is one of the major concerns of Canadians because of the health aspects.

With respect to the role of government, and this is what I would like to put the emphasis on, Canadians want government to get tougher with polluting industries, not as this paper seems to indicate and to enforce the law. In a poll two years ago, Canadians said obviously we want you to get tough. We want you to apply the law to polluting industries. Seven in ten Canadians currently believe that governments usually side with the industries that pollute rather than siding with the affected public.

Let us look at this. Over two-thirds of our citizens believe that the government is on the side of the polluters. Does that have any relationship to the Conservatives' low standing in the polls? The government does not have the confidence of the people on the question of the role of government and pollution control.

I would just like to close here by saying that I think the government had a choice. It could have done better. I have tried to raise the point that because of its corporate donations, its corporate ties, it has a tendency to side with polluters. Everybody knows it. Rather than coming out with actions, it comes out with recycled rhetoric. It is unfortunate. I suppose the only way that that problem can be addressed is through the ballot box. Therefore I would just like to present my opinion that the government has a chance. It has another chance. It has three years perhaps left in government. It can do a better job. The people of Quebec and the people of Canada are expecting the government to do a good job. It is awfully unfortunate that our friend and colleague, the Minister of the Environment, would be so badly used by this government and abused when he was brought into this government to do a good job.

In conclusion I would like to I move:

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of considering the motion standing in the name of the member for Hamilton East.

The Acting Speaker (Mr. Paproski): Will those members who object to the motion please rise in their places?

And less than 15 members having risen:

• (1430)

The Acting Speaker (Mr. Paproski): There not being 15 members rising in objection to the motion, the motion is deemed to be carried.

Motion (Mr. Edmonston) agreed to.

Motion agreed to.

The Acting Speaker (Mr. Paproski): On questions and comments. The hon. member for Windsor—St. Clair.

Mr. McCurdy: Mr. Speaker, I thought the question was—

Mr. Gauthier: I rise on a point of order.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Ottawa—Vanier.

Mr. Gauthier: Technically speaking, Mr. Speaker, a motion was put by the member for Chambly. It was carried. Therefore, that motion makes it impossible for us to ask him questions, although we would like to ask him questions. He has now lost the floor. Unless there is unanimous consent to do that, I would hesitate to break the rules and neither would he.

The Acting Speaker (Mr. Paproski): Technically, we will allow the hon. member to answer questions or comments if we get unanimous consent.

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): There is not unanimous consent. The hon. member for Ottawa West.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to begin by quoting from *Hansard*. I hope these words sound familiar to the members of the government. I think they should re-read them.

> The ozone layer above that protects the earth from the sun's ultra-violet rays is diminishing. Twenty-two billion tonnes of carbon dioxide from fossil fuels are being pumped into the world's atmosphere each year. This CO2 is heating up our climate, with hazards we are only beginning to understand. Moreover, forests which process carbon dioxide are disappearing at a breathtaking rate: Twenty-five million tons of sulphur dioxide fall every year in Canada and the United States in the form of acid rain that is destroying our lakes and rivers, damaging our forests and monuments, and threatening our health.
>
> It is well past the time that these issues be not only addressed but resolved.

Those are the words of the Prime Minister as reported in *Hansard* for April 6, 1989.

What do we have as a result of all that deep understanding of the seriousness, the urgency and the immediacy of the problem and the need for action now? What we have nearly a year later is still no environmental protection legislation or environmental assessment legislation. There is still no action plan on the environment. We have instead cuts to environmental programs and cuts in budgets.

It is a great pleasure today to rise and expose this green plan for the sham it is, for the contradiction it presents to every action of the government since it took office in 1984.

This green plan is a litany of broken promises. That is what it is. It is going back five years. It is contradicting everything the government has said it is going to do. It is full of words like "could consider", "might consider", "could consider proposing", "should we", "could we". It is too late for all that. The Prime Minister knew that a year ago. He said it clearly. Yet what has he done about it?

Yesterday, we had a litany of the supposed accomplishments of this government on the environment. I want to go through a litany of failures—not only of failures, which implies lack of action, but actions damaging to the environment.

The Green Plan talks about the preservation of wildlife. Yet the government cut $3.8 million from the budget of the Canadian Wildlife Service.

We have lots of discussion about parks and expanding our national parks system. This is the government which weeks ago voted against a motion to expand the parks system to make a real firm commitment to parks consistent with our international commitments.

The report talks about shipping and disposal. Can I remind the government that it was five years ago that the spill of PCBs at Kenora occurred, and that for three years following that nothing more was heard about PCBs except promises of action? There was no action taken until weeks before the 1988 national election when suddenly disaster hit Saint-Basile-le-Grand and PCBs were again a problem and suddenly they were on the public agenda. This time it was right before an election and there was some interim action.

But do we have a comprehensive plan for handling the disposal and transportation of PCBs? No, we do not—five years after the spill at Kenora.

There is talk in this report about toxic substances and protecting the health of Canadians. This is the same government that is now saying that the Centre for Occupational Health and Safety should become a self-supporting income-generating institution and that in fact it should not be available to Canadian workers to give them information on toxic substances and other health hazards in their workplaces.

This report talks about research. Yet we have seen virtually the decimation of research at the National Research Council. In fact, we have seen the breaking down of that institution that has been fundamental to the progress of science, research and technology in this country for decades.

The government appears not to be aware that in fact Canada's environmental work—indeed the space program—started with atmospheric research by the National Research Council in the mid-thirties when we started looking at what was happening in the Arctic and began studying the aurora borealis. Now, about 55 years later, this government is systematically dismantling the National Research Council. How dare it publish a document like this and talk about improving science and research?

The document talks a lot about information and the importance of it. This is the very government that suppressed a major report on toxic substances called "Storm Warning". It suppressed it for over a year, keeping it from the people of Canada.

This government talks about better environmental assessment. I have heard comments in Question Period today and yesterday, as well as the debate today, about the weakness of the current legislation and the current environmental assessment process. If it is weak, it is weak because the government and its ministers refuse to meet their legal obligations under that legislation. Those legal obligations have been spelled out by the courts, not once but three times. It is about to happen again. Once again, the government is not fulfilling its responsibilities for the environment, responsibilities it has been reminded of three times by the Federal Court. Instead, it is leaving it to voluntary organizations with their own resources and on their own initiative to do what the government is legally obligated to do.

It is over two weeks since the decision of the court on the Oldman River dam which said, first, the federal permit allowing that construction was cancelled; and, second, that two ministers of the Crown were obliged to conduct environmental assessments. The government has done nothing. It is still considering the implications of the decision.

I will tell you the implications of the decision. It is this simple. A multi-million dollar project in Alberta with severe environmental impacts has gone ahead for an additional two and one-half weeks and this government has done nothing about the fact that it is proceeding absolutely illegally without a permit that it is required to have under the Navigable Waters Act.

If the government was serious it would look at that decision on the Oldman River dam. It would say what the courts have clearly said, that it has not only the right but the responsibility to carry out an environmental assessment on every project that touches an area of federal responsibility. It would be environmentally assessing James Bay, II, if it would stop fooling around with discussions that are going nowhere with the province of Quebec and get on with its responsibility and its job. It would be environmentally assessing Point Aconi. It would be looking at its options for the Carmanah Valley.

• (1440)

Actions speak louder than words. Thirty pages of words do not say much against four years of not only inaction but negative action against the environment.

The plan purports to deal with the question of CO_2 emissions. Members of the government may not be aware of this, but the environment committee of the House has been looking intensively at global warming. There is one clear message—and it is not new—the single, most efficient, most effective, most cost effective thing we can do to stop global warming is to cut the emissions of CO_2.

Action on that front is clear. By conservation alone, we could cut 52 per cent of CO_2 emissions. This government has known now for five years what needs to be done. It is not doing it.

Instead, it has cut wind energy research at the National Research Council. It has cut the environmental secretariat at the National Research Council. It has, over-all, cut money spent on alternative energy and

conservation—the single most effective thing that we can do to save this planet—from $500 million to a miserly $50 million.

The Minister of Finance can get up and talk about the financial reserves all he wants. That is window-dressing. There are no financial reserves. The reserves in this year's budget, as he knows perfectly well, have but cut and not increased to accommodate the environment or anything else.

The Green Plan talks about biological diversity. Just this past week, 10 people at the National Research Council, including five senior research officers in the biological section, were laid off.

We have broken promises. We have had repeated promises over the last year, and I am sure before I entered this House, to table environmental assessment legislation. We have repeated promises that we will have a strong action plan by this spring. March 21 was over a week ago. That was the beginning of spring, and this is all we have.

It is also important to talk about what is not here. What is not here is any strong commitment by the government itself to act on its own, to ensure that all governmental practices are in accordance with the principles of sustainable development. What minister has said to his department: "Before you produce your budget, I want to know everything you are doing that has an impact on the environment. Where it is a negative impact, I want you to change it. I want to know how we are using the world's resources. Where it is excessive I want you to change it. I will not approve a budget until I have those answers." Not one minister has said that to his or her department. That is the way this government needs to operate.

We have the Minister of the Environment saying: "Environment is the responsibility of every minister". Then we have the Minister of Industry, Science and Technology saying instead: "The environment is nice. It is like poetry and flowers, kind of fun to have but it has nothing to do with the economy".

This is the government that says it believes in sustainable development. What does it do instead? It votes down, in this House, a motion that would have made the Department of Industry, Science and Technology responsible, among other things, for sustainable development.

Obviously, it does not understand the question. How can the government, at this stage, say: "Should Canada commit itself to targets for the emission of carbon dioxide?" How can it even ask that question? How can we have the Minister of Energy out in Vancouver saying: "Should Canada act before the rest of the world acts, or should we wait for everybody else? Should the government seek to establish agreements with the western provinces on emissions?" How can those questions even be asked when we know how urgent and serious this situation is?

This report does not at all address sustainable development. It does not address the problems of the Third World. We know that one of the greatest causes of environmental degradation is poverty. Does this plan talk about what kinds of aid we provide to the Third World, ensuring that that aid is done in an environmentally compatible way, in fact, specifically directing our aid towards projects that assist Third World countries to avoid environmental damage?

Does it talk about the millions of dollars that we provide through the Export Development Corporation to do major projects abroad in China, India, Indonesia and Thailand? Does it put any limits on how we spend that money and make sure that we are not exporting environmentally damaging technology? It does not. In fact, one of the things holding up environmental assessment legislation is that the Export Development Corporation, for the purposes of aiding business clients, is specifically seeking to exempt itself from that legislation.

It does not talk about what we import and whether we encourage pollution in the Third World by importing goods that perhaps we would be better off not importing. It does not talk about how we control our exports to ensure that we are not exporting damaging goods or goods that can be used in a way that is damaging to the environment.

It does not talk about aboriginal rights. A small country like New Zealand can bring in comprehensive environmental legislation which gives prime importance to the rights of aboriginal peoples, their land rights, their treaty rights and their cultural traditions and a country like Canada cannot. It is appalling that that is not even discussed in this paper.

The report talks about consultation. The minister who spoke this morning said consultation is desired and needed. Consultation gets off to a bad start when the report on which it is to be based ignores the consultation, ignores the thousands and perhaps millions of words of input this government has received over the years it has been in office from environmental groups. Options which they have developed and put forward are not in this plan. How can they expect the consultation is going to mean anything?

The report said: "Women are a real key to decision-making. Aboriginal peoples need to be involved in our discussions. Youth need to be part of our solutions." Just look at what this government has done to those groups. It has diminished the ability of women's groups to participate in society as groups. It has cut funding to women's organizations. It has cut funding for conferences. It has cut funding for women's centres. It is undermining their ability to be informed, to communicate with each other and to communicate with government.

What has it done to aboriginal peoples? A year ago it was cutting its commitment to meet the educational needs of aboriginal peoples and it is still true that a native person in Canada has a much better chance of going to prison than to university. That is a crying indictment of our society. Now it has cut broadcasting, it has cut newspapers, it has cut the means by which natives inform themselves and communicate with each other. It has cut their tools to participate in the democratic process. How dare this paper then say that we want the involvement of aboriginal peoples.

It has cut NGOs' budgets and yet it is saying that they are the crux to our doing something about this problem.

What has it done to youth? Oh, yes, the minister wants youth employment for summer employment programs, he says, summer employment programs on the environment. I am sitting in a riding where summer employment programs this year are one-tenth of what they were last year; $23,000 for a community of 70,000 people for summer employment. How do we expect youth to feel a part of this society when money that could have employed them for the summer and sent them back to school this fall is being pulled out of summer employment for them?

This is a new kind of consultation. I think the normal process, when there is a discussion paper, is for the parliamentary committee to hold hearings and report back to Parliament. I really want some answers on why that is not being done. Is it that these are going to be secret consultations? Why is the environment committee not being asked to take this document, to consult and to report to Parliament?

• (1450)

I want to close with one final point. Yesterday, the Prime Minister referred to Madam Bruntland's comments about Canada and the leadership role we have played. That was a nice comment from a lead speaker at a conference to the host country. What the Prime Minister failed to say is that Canada essentially holds great conferences, exercises great rhetorical leadership. But what she went on to say was that it was time for Canada to get on with action and demonstrate that its leadership is more than words. This plan is a betrayal of that call to action for Canada and the world.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to congratulate my colleague and friend for Ottawa West on an excellent presentation.

An hon. member: Hear, hear!

Mr. Gauthier: It was a well thought-out speech and given with the usual seriousness she attaches to these questions as our critic for environmental matters. I want to thank her for the work she has done today.

There is, indeed, a serious problem with the environmental issues in Canada today. There is little commitment from the government in the framework for discussion on the environment in the discussion paper. The leadership is lacking. There is, as the member said, no ministerial leadership just to clean up our own act.

I can remember asking questions of departments of this government, Public Works and others, about dumping toxic wastes into the Ottawa River. We had to rise in this place and push and push and repeatedly bring them to their senses until they acted. Today there are still wastes being dumped by the federal government into the environment. If we are going to start preaching to Canadians, we had better start practising here in our own jurisdiction. That is the federal jurisdiction—federal government departments.

The paper, the framework for discussion on the environment, proposes, and I quote from page 17:

> Canadians need to explore the ways governments, industry and individuals can best contribute to a 50 per cent reduction in waste.
>
> One mechanism is an Office of Waste Management—

I repeat—

> —an Office of Waste Management to expand the national waste exchange program and to promote waste reduction and recycling.

Some of us believe we have an office of waste management here in this administration of the federal government right now. I think the Prime Minister's office is a good example of waste management. So is the Minister of Finance, in the way they manage the economy of this country.

I take exception that they set up an office, another bureaucracy to manage their own waste programs when the government shows little leadership.

An hon. member: Look at all the waste at 24 Sussex, for instance.

Mr. Gauthier: We know that they want to talk about a new transportation policy. They have just cut VIA Rail, one of the most environmentally friendly systems there is. They just cut VIA Rail.

I want to talk about the green environment we are supposed to be looking towards and *The Green Paper* we got. The recycling program has not been put by this government to Canadians yet. We have paper recycling projects. And clean water. Well, this is a watered down set of promises.

I want to ask the member, since she has knowledge of government and knowledge as the spokesperson for the environment: Does she not believe, as I do, that it is about time this government put its money where its mouth is and practised environmentally friendly things such as waste management in its own federal government buildings. Should that not be under control?

Mrs. Catterall: That is exactly why I put the challenge to all ministers opposite or all those who occasionally speak to them, because I think that is exactly where it has to start. We cannot preach to Canadians what they should be doing in their homes, offices or factories, until we have our own house in order. This is the largest employer in the country. It employs a quarter of a million people directly, and another quarter of a million people indirectly. We use more paper, more of everything that can be used in an office or laboratory environment than any other employer in Canada. We use more vehicles, we use more energy and, therefore, we should be leading the way.

This also gives me the opportunity to talk about costs. The Minister of Forestry and the Minister of the Environment have said we have got to talk about trade-offs. We have got to talk about costs.

The reason it is so important for the government to act as a leader and as an example is to demonstrate the fact that when things are done in an environmentally sustainable way, money is saved. If factories are built that use fewer resources and less energy, they operate more efficiently and are more productive. Innovative companies that have taken these steps are proving exactly that.

I challenge the government to prove that as a major corporation in this country, the largest corporation, we can demonstrate that it is cheaper and not more expensive to do things the right way. I will challenge that it is going to cost more money. We keep saying that to people and we keep scaring people with it. We keep pretending that we cannot act because it is going to cost too much money.

There are many ways in which it is cheaper. So let us stop pretending.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, in her eloquent speech the hon. member identified a very important element in our common efforts to achieve the very worthy environmental goals that we have in Canada.

Specifically that very important element is the relationship between the federal government and the governments of our provinces and territories. The hon. member knows that it is this relationship that is fundamental, not only for success in environmental policy development, but in determining the degree of success in other policy areas.

Would the hon. member share with this House and with Canadians her vision and the vision of her party, with respect to a workable, reasonable and effective framework that would ensure co-operative federal-provincial policy development in the very important area of Canada's environment.

Mrs. Catterall: Mr. Speaker, obviously I do not have time left to deal with that. However, as the municipal politician who was involved with provincial governments all over the country, I certainly think I have some very valuable ideas to bring not only to a bi-level approach but a tri-level approach to the environment. It was that experience at the local level of government that led me to propose one useful suggestion which I note the minister has adopted for a participaction program on the environment.

To stand aside, do nothing and absolve oneself of any responsibility for the environment is not at all helpful to federal-provincial relationships, or to public confidence in government at all levels. I certainly do not think that the federal government should be dithering around asking silly questions such as whether or not we should reach agreement with the provinces on emissions. Of course we should. Where is the leadership in this country? Who speaks for the nation any more? What are we? Do we just sit here in this House to let the provinces go off and do exactly what they want no matter what the risk to the world, to the helpless Canadians, to the future survival of humanity? Where is the leadership?

You want an answer to your question. Step aside and let me show you.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I think that most Canadians and probably many citizens throughout the world have concluded that environmental issues should not be partisan issues. They believe that the importance of preserving our future is one which must go beyond the lines of party politics.

I am not so certain, however, that the introductory speech by the hon. member for Hamilton East today furthered the cause of trying to keep environmental issues within this House in as non-partisan a manner as possible.

I believe that most members of the House and most Canadians very much share the common objective of wanting to ensure that the environment upon which we are dependent for our very life itself is conserved and protected. The challenge of finding a means to direct society to the road of an environmentally sustainable future is the most important challenge of our lives. At stake, as Madam Brundtland said, is our common future. A challenge is evident. What is less evident, however, is the question of how we should collectively meet that challenge. The behaviour and assumptions which have contributed to the environmental crisis which is very much a part of our life are deeply ingrained in our society's most cherished institutions and values. Consequently, there is no simple change, no single change that will set matters right. What must occur instead is a renaissance of awareness with respect to the restraints that must be respected if our society is to continue to evolve and to progress on an environmentally sustainable path.

• (1500)

A sustainable future is not within the powers of the Minister of the Environment alone, nor is it within the powers of the federal government alone to achieve and to deliver. The scale of the challenge which is before us dwarfs the abilities of any one actor to resolve. All of us, at all levels of government, in all walks of life, wherever we may live in this country and throughout the global community, have a role to play and we are seeking to play that role to the best of our abilities. We, as a government, are committed to doing what is in our power to move Canadians onto a sustainable path.

Yesterday, the Minister of the Environment released a document called "A Framework for Discussion on the Environment". This framework summarizes issues which will be addressed in *The Green Plan*. It outlines a range of possible solutions which could contribute to the national objective of ensuring the effective integration of economic and environmentally sustainable decision-making, of ensuring that we have sustainable development. Through this document, we hope to engage all Canadians in a national dialogue on our common future.

Throughout the spring, we will be holding consultations with Canadians, in 30 or 40 communities throughout the country, to allow them to express their views on the policies and priorities which should be contained in *The Green Plan*. It is our hope that through this process of establishing a national dialogue we can achieve the broadest possible consensus on the key elements of this national action plan to ensure a sustainable future for Canada. There will be a full action plan by this fall. It will be substantial, meaningful, and will build on the solid record of achievement of this government. In addition, it will be constructed as a result of a process of consulta-

tion with Canadians, the likes of which has not occurred before in this country.

In this national green plan we will seek creative partnerships with the provinces, with interest groups and with industries. We are willing to consider participation in any arrangement which will set an example to others or which will promote collective progress. We will continue to work internationally through whatever means that are available to us whether it be the G-7, the United Nations, the Commonwealth, the Francophonie, NATO, the World Bank, or in co-operation with the Inter-American Development Bank to whom the Minister of the Environment is speaking today. We will do all of this in order to promote the need for environmentally-sustainable development.

Our environmental destiny here in Canada is tied to the global environmental destiny. We must recognize the essentiality of that fact. All Canadians must adopt the principle of thinking globally while acting locally. In a global sense, Canada has not only been an active participant on the international scene but has been a leader in that international environmental arena. Canada's leading role in the development of the 1987 Montreal Protocol on protecting the ozone layer is well known to all parliamentarians and to most Canadians.

In the following year, Canada hosted an international conference on "The Changing Atmosphere, Implications for Global Security". While addressing that conference, the Prime Minister was the first to call for an international convention to protect the atmosphere to be held by 1992. The concept of the need for that convention is now supported by President Bush, Prime Minister Thatcher, President Mitterand and many other national leaders.

Last March the Prime Minister and the Minister of the Environment represented Canada at the Environmental Summit at The Hague, where world leaders agreed to develop within the United Nations an enhanced authority to combat global warming. Also in March of last year, this government was one of 34 signatories to a landmark United Nations convention, which controls the trans-boundary movement of hazardous waste.

Last July in Paris, Canada joined other economic leaders in placing the environment at the top of the international agenda.

In Kuala Lumpur, in October, leaders of all 49 Commonwealth nations endorsed the concept of sustainable development.

Looking ahead to 1992, the world will gather for what is probably going to be the most important environmental conference held since the landmark Stockholm conference of 1972. That conference will be the United Nations Conference on the Environment and Development which will be held in Brazil and of which a distinguished Canadian, Maurice Strong, will be the chairman.

It is expected that world leaders will meet at this conference to conclude a landmark convention on climate change, if indeed that convention is not concurred with prior to the meetings in 1992. Scientific and legal work for this convention has been under way for some time and good progress is being made.

We want Canada to set an example for the world, but we must be realistic and recognize that our efforts alone cannot achieve worldwide change. We must work co-operatively with other countries and also through all international organizations that can mobilize actions on a global scale. We recognize the need as well to work co-operatively to protect the environment of the North American continent. One example of such co-operation between Canada and the United States is the establishment of the North America Waterfowl Management Plan, a plan which provides for $1.5 billion over 15 years to protect almost 4 million acres of wetland habitat in Canada.

Canada is also working closely with the United States to clean up the Great Lakes. Our share of that program is $125 million to be spent over the next five years to protect human health, to clean up toxic contamination and to prevent future pollution of these important shared resources.

I am encouraged by recent news stories coming out of the United States with respect to the progress which the American Congress is making towards the passage of President Bush's Clean Air Bill. This government has worked closely with our counterparts in the United States, encouraging them to pass that bill. I hope that

that will not only be a reality in the near future but it will be followed as well by an accord between our two countries.

Closer to home, despite what you may have heard earlier today, Mr. Speaker, I would suggest that this government has a solid record of achievement on which to build.

In June, 1988 the Canadian Environmental Protection Act was proclaimed, the strongest piece of environmental legislation ever sponsored by a federal government in Canada. CEPA, the Canadian Environmental Protection Act, establishes very stringent controls for chemical substances manufactured in or imported into Canada and provides for a "cradle to grave" mechanism for managing such substances from their manufacture to their disposal.

In addition, the federal and provincial governments are working co-operatively on a number of environmental issues through the Canadian Council of Ministers of the Environment. That group met last week at Globe 90 in Vancouver. Last October, the council established the creation of a $250 million fund based upon a 50-50 federal-provincial cost sharing formula to clean up high risk abandoned contaminated land sites, the sites that we refer to as orphan sites.

At the same time, the Canadian Council of Ministers of the Environment announced a joint decision to implement standards to control automobile emissions of oxides of nitrogen and gasoline fumes, which will match, by 1994, the toughest standards in North America. We generally refer to those standards as the California standards.

Another example of federal-provincial co-operation which is noteworthy is the agreement to clean up the St. Lawrence River. In June, 1988 this federal government announced a $110 million action plan to tackle industrial pollution in this major waterway.

Throughout Canada and the world, national parks have proved to be one of the most effective ways of protecting wilderness, wildlife and other important heritage resources. Since 1984, this government has added greatly to that national park system. Three new national parks and park reserves have been established: Ellesmere on Canada's most northerly lands; Bruce Peninsula near the heart of Ontario and within easy reach of millions of Canadians; and South Moresby on the spectacular Queen Charlotte Islands.

In addition, park establishment agreements for two other areas were renegotiated so that the parks could realize their full potential, helping to consolidate the system: Grasslands, protecting a remnant of the wild prairie ecosystem in the western part of Saskatchewan; and Pacific Rim, preserving an unspoiled example of the west coast on Vancouver Island.

In addition, a policy for establishing, developing and operating national marine parks has been approved, and Canada's first national marine park, Fathom Five, was established in Georgian Bay, Ontario. One of the most important aspects of the document which was tabled by the minister yesterday was the commitment that five additional national parks should be created during the course of the next five years.

I would hope in passing, Mr. Speaker, although it is too early to tell, that one of those additional parks might indeed be in my own home province of Manitoba near the community of Churchill.

• (1510)

Much remains to be done and this government is committed to doing it. For example, the federal government will be introducing shortly a regulatory package that will limit pollution from pulp and paper mills. These new regulations will achieve the virtual elimination of dioxin and furan discharges in mill effluents.

If there is a special role for the federal government in environmental protection, I would suggest it is the development of national standards and practices. This is clear from our current efforts to reform the federal Environmental Assessment Review Process, or what we commonly refer to as EARP.

The objective of EARP is to enable the government to encourage environmentally appropriate development. That objective, however, cannot be achieved if the process is flawed and unclear, as has now been demonstrated to be the case. New EARP legislation, as I indicated earlier in the House today, will be introduced this spring. I know that members of the House will look forward to supporting that legislation because they understand that there is a very real need for clarity and certainty in the vital matter of assessing the environmental implications of government decisions especially on major projects.

Environmental stewardship is not only an individual effort. Partners, by working together, can achieve great results. I think, for example, of the $50 million Environmental Partners Fund whose goal is to tap the creative talents of Canadians and establish community-oriented environmental projects, with up to half of that fund being provided by the federal government. Some $3.6 million has already been approved for 76 projects across Canada, and I am delighted that one of them is my own constituency of Brandon—Souris which is enabling members of the Virden community to expand the recycling project that they have had in place for some time.

Yesterday, the Minister of the Environment released a framework for discussion on the environment. We are inviting all Canadians to participate in the challenge of developing a long-term action plan for Canada's environment. The goal is to translate the concept of the sustainable development into a concrete reality. *The Green Plan* must be based upon a comprehensive policy which will be taking tough decisions on sensitive issues. *The Green Plan* will provide a decision-making framework for planning so we can anticipate and prevent problems before they occur. It will alter the federal government's own day-to-day environmental behaviour.

The Green Plan is based on the knowledge that balancing economic and environmental concerns will without a doubt be the greatest challenge of our time. Moreover, if sustainable development is going to work, then all sectors of society, governments, business and individuals must work together.

The achievement of an environmentally sustainable economic development will require change by all Canadians, acting individually or collectively within governments or the business community. It will require new attitudes towards the environment and its relationship to our own day-to-day activities. It will demand a commitment to take action.

The Green Plan for Canada will provide the basis for that change. It will enable Canadians to make wiser decisions about the use of the environment through better science and technology, better information and education and tougher regulations.

The Green Plan will be developed as a result of a process of consulting together. All sectors of Canada are invited to be a part of that process. We will achieve a broad consensus on what should be done and we will have the support of Canadians when we bring that plan into this House in the fall.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I have a question for the hon. member. Seeing the paper that the government came out with concerning the environment, the protection of the environment, and toxic waste, I am not going to try and pretend that I have a great knowledge of the different kinds of systems we need for the environment. When I was in the Quebec National Assembly, I lived through many problems of the environment that arose, such as toxic wastes that created a crisis that used to last for weeks and then subside.

It seems that it is only the government which can have the political will and the power to show to all Canadians that the environment is our number one issue. The paper that came out seems to be very vague. It seems to me that the federal government, of all the governments in this country, should be the first to have the most stringent rules of all and there should be nothing vague. The message should go out to all industries as clear as a bell that protecting the environment 100 per cent is the cost of doing business in this country. That might sound idealistic, but because of the way the environment is being affected, we are going to face that inevitability very soon.

Why can the federal government not take it upon itself to send the message out across this country that we want an environmental policy that is virtually foolproof?

Mr. Clark (Brandon—Souris): Mr. Speaker, I very much agree with my hon. friend's objective that indeed there should be a message sent to all Canadians not just to business, because business is only a part of the process, where the rules are very clear, where there can be no confusion whatsoever as to which level of government has which responsibility. Quite frankly, that is part of the difficulty right now with the EARP process.

It is exceedingly important that Canadians feel comfortable with the result that they are part of the process. When *The Green Plan*, which will be the by-product of this consultation process, is tabled in the House this fall, if it does not meet the objective which the hon. member has stated, then he will have every right to be on his feet

complaining. In the meantime, what we have developed in the framework announced yesterday is a process by which we hope to achieve that end. We hope to work with both levels of government because the natural resources are a part of the prerogative of the provinces, according to the constitution.

They have responsibility themselves for protecting the environment. The classic example is the debate which is occurring right now between the federal government and the province of Quebec with respect to our desires that James Bay be assessed according to federal regulations as well as provincial regulations. The two levels of government need to work together in co-operation with business and with interested groups, but the final result must be that clear signal so that we all understand what our responsibilities are and where the powers are very clear. I truly believe that that will be the end result.

In the meantime, I would ask the hon. member to be a part of the process of developing that end result. I think that is what this framework is asking of Canadians. It is providing them with an opportunity to be a part of the solution. All governments have been guilty, but what has happened too often in this country is a government or perhaps bureaucrats who have tried to lay a solution on to other people, perhaps without their understanding of what is required and often without their co-operation.

The environment is something which is of vital importance to all of us. Surely we all understand that and surely there will be a willingness to work together towards a common solution, if we can achieve a broad national consensus on what needs to be done. I would readily concede that many environmental groups have led the way in demonstrating the need. Governments are often slow to respond. I would suggest that previous federal governments have been slow to respond, and some provincial governments are slow to respond.

I think the most important question is, what is on the table when we are finished? If we work together in this House and throughout the country and participate in the consultation process, I honestly believe we will have *The Green Plan* in place in the fall in which we can all share some sense of pride in being a part of what I hope will be a good solution.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, if we are to have a good consultative process, it is important not to put out vague questions, which the plan does, but clear alternatives for action within some analysis of the pros and cons. Then communities, business and whoever else is a stakeholder in the situation has something to respond to. Clearly, the paper does not do that, even though those possible solutions are well known. Others will come forward, but it has been a mistake to withhold from Canadians the debate that needs to happen between one solution versus another.

I would like the parliamentary secretary to answer two questions. First, the consultative process is extremely unclear. We start with a series of information sessions. Then it is not clear who is consulting with whom. What is going to be the result of that? The normal process of consultation is the parliamentary committee. It conducts hearings and reports to Parliament, so Parliament knows the views of the people. Then the government responds. If that is not the process at this stage, if it is intended that that will be the process when the action plan is tabled, could we have a commitment on that?

Second, are we going to wait for that action plan for the government itself to act? Has the Minister of the Environment, much less, have all ministers directed their officials to look at the environmental impact of their own operations to correct those operations where they have negative impacts.

• (1520)

Mr. Clark (Brandon—Souris): Mr. Speaker, I wish to make two or three points in response to what I think are very appropriate questions.

I would suggest to the hon. member that it is important to understand that the questions asked in the framework provided to Canadians yesterday need not in any way be an exclusive list. I would hope that one of the results of the consultation process will be the establishment of additional questions. What will be provided by way of questions need not in any way preclude any other form of discussion.

I would remind the hon. member that the standing committee is entirely a power unto itself. The standing committee can certainly study the process. It can study the action plan, *The Green Plan* when it is tabled in the House at any point in time. One of the traditions of this

place is that standing committees are masters of their own destiny. They determine their own agenda.

One of the important things which I hope the standing committee will be addressing in the very near future is new EARP legislation. It is up to the House to determine whether or not that EARP legislation goes to a special legislative committee or to the standing committee. I have a preference that it go to the standing committee rather than the legislative committee, because I happen to be one who is not wildly enthusiastic about legislative committees. I simply say that in passing, Mr. Speaker. I would assume that that legislation will be introduced in the House in four or five weeks. That is a very concrete response on the part of government.

In addition, I can advise the hon. member that as a result of the Oldman decision, even though I believe that the Government of Alberta has requested leave to appeal to the Supreme Court, there has been no decision on that request according to my understanding. However, assuming the Oldman decision stands, I do know that departmental officials are very closely examining all of the federal projects for which we have some responsibility to determine the implications of that particular decision for our own ongoing projects. The federal government is very active at the moment. The department is very active. Even at the same time as it established the framework for consultation with respect to *The Green Plan*, other activities are carrying forth.

For example, the announcement at Globe 90 last week by the council of ministers to reduce packaging by 50 per cent by the end of the decade. There is a very important meeting coming up in London in June with respect to the extension of the CFCs of the Montreal Protocol, of vital importance.

Mrs. Catterall: Where Canada is taking a lesser position than the European Community.

Mr. Clark (Brandon—Souris): I think we are taking a very important role with respect to the Montreal Protocol because we have already made a commitment. Although the process is not in place, we have understood that as part of the industrial world, we have a financial obligation to assist the developing world with either transfers of technology, or whatever the case may be, to permit them to ensure that CFC emissions will in fact be virtually eliminated by the end of the decade. There is a series of ongoing steps. What was released yesterday is a very important part of the whole package.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Windsor—St. Clair.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my colleague for Chambly earlier said that the minister was a good and sincere man, a minister of the environment who finds himself in a very bad environment.

It seems to me it is clear that we are faced with this almost ridiculous situation by virtue of the fact that those on the government side who should have provided him with the support in putting forth the kind of environmental strategy that we expected did not give him that support. We are left with a document that we could be trite about and say that it is fatally flawed, but in fact its structure is not substantial enough even to exhibit flaws. It is incomplete. It has not hardly begun the process of a strategy. As a matter of fact, considering all of the resources that are available to a government, all of the resources that ought to have been provided to this minister, given the urgency of what is at issue here, the document *The Green Plan* for Canada, a federal agenda prepared by voluntary organizations, would have been a far superior document to present to the Canadian people even within this context of consultation because at least they would have had some meat with which to deal as they have not here.

Many have cited the fact that a lot of questions have been posed for which answers have already, at least in large measure, been provided. But there are some questions so ludicrous that no one in his right mind would have asked them in the first place.

Let me give you an example. I want you to pay attention to this, Mr. Speaker, because there are no subtleties in this that would make it sensible to ask this question: Should Canada commit itself to greenhouse gas emission targets? Should we or should we not? Should we allow the earth to warm up over the next two or three decades? Do we want those dramatic changes in weather and climate that have been predicted by all of those who have been engaged in the study of the earth's

atmosphere? I do not think there is a single Canadian who would not say that this is a silly question.

Then there is the question: What role should alternative energy and energy efficiency play? Give me a break. This is a question posed by a minister who is supposed to be in charge of Canada's environmental policy. Should there be alternative energy? I suppose that there is only one basis for the government asking this question. Having already closed down research on alternative energy, the government is now scratching its head and saying, "should we have done that?". Of course this is one of those questions the answer to which has already been provided. The people have said that there should be a commitment to alternative energy and efficiency and the government has said, no there should not be. We have the Minister of the Environment hastening back, puzzled altogether, not knowing what to do, the two sides having different responses so he is going to pose the question again.

I can tell him right now that there should be an emphasis on alternative energy and there should be greater investment in energy efficiency. My goodness, it is not more than a year and a half ago that all sides of this House approved a motion to have a hydrogen technology project in this country. That is one example of alternative energy, the research into which has been cut by this government.

To give you another example of the absurd, Mr. Speaker, is the proposal that additional assistance should be given to developing countries to adopt sustainable forestry practices. I do not know whether the Minister of Forestry is here. He was a little while ago, but I guess he could not stand the heat. Now we are going to help the Third World nations do something to enhance sustainable forestry and we have a question in this document that is as follows: How should Canada move towards sustainable forest management? It certainly cannot be by allowing forestry agreements to lapse tomorrow. This document holds not only itself up to ridicule, but the government which authored it, and it is an insult to Canadians.

My colleague next to me says that the Government of Canada must lead by example. This gives me an opportunity to draw to your attention a situation in which the government has not provided a very good example.

• (1530)

This is an example that comes out of southwestern Ontario, in Windsor, where the government has not provided a very good example in the way it has confronted the issue of the incinerator in Detroit which still, after four years, is a problem which has not been confronted by our government. I note that the document talks about the need for negotiating a trans-boundary air pollution agreement with the United States. I am glad to hear the government is finally getting the message. We have been asking for that for four years. It is the only tenable way of attacking that issue.

We have the issue of the FERMI nuclear plant, and we have been trying to get the government to negotiate some kind of general agreement in recognition of the fact that this government has apparently just learned that pollution and environmental damage knows no national boundaries. But not much has been happening there either.

We have been trying to get the Minister of Transport to address the fact that barges will be going back and forth between Detroit and Windsor, carrying railway cars with hazardous substances. But he does not know anything about that. He does not know what he is supposed to do about that, nor does he know who is supposed to do anything about that. This is government by example.

I want to tie this business of government by example in with its proposition that innovative science and technology must be supported. I would just like to say in passing that one of the things that this document suggests is to put some emphasis on research into the environment, into the programs of the granting councils which provide funding for basic research in the universities.

The government has already ignored recommendations for vastly enhanced investment in that. Now, I suppose it is going to cut that by half, turn that over to environmental research with no net increase in research, and announce that it has put that $200 million into environmental research whenever it gets around to it. That is the kind of example, that is the kind of innovative science and technology we have.

In 1981 Environment Canada reported the dangers and risks involved in a contamination of the Great Lakes by biota from European waters. It was noted that if one looked in the ballasts of ships coursing the Atlantic Ocean, they were a virtual zoo of aquatic animals which might adapt to the Great Lakes environment, but constitute a severe disturbance to the ecological balance. That is the ecosystem which is the Great Lakes. They warned

particularly of the zebra mussel. They said that there ought to be imposed strict regulations on the emptying of ballast tanks from sea-going vessels from Europe into the Great Lakes. That was in 1981.

By 1986 those mussels were found. In the meantime, in 1985, at the behest of this government the scientists who made the recommendation were let go. The first of these mussels was detected in 1986. In 1988 there were indications that there was going to be a problem. Now, when each of these little critters produces 40,000 eggs a piece, it is possible to find in areas of the Great Lakes and in some areas at the bottom 700,000 of these sharp shelled, ugly, sticky little critters. Now they are fouling the water intakes of towns such as Leamington, Sarnia and so on.

In Leamington they are spending a million dollars in order to make it possible to bring water into the water supply system so great is the fouling of the intakes by these precocious multipliers. Their numbers will double again by next year.

It is not just a matter of the inconvenience of fouling the water intakes. They affected Lake St. Clair first because apparently the emptying of the ballast occurred in the neighbourhood of Sarnia, just previous to a delivery to Sarnia. Now they are found in Lake Erie and Lake St. Clair.

One of the things one notices as a result of the infestation of these lakes is that the lakes have become more clear. They have become clear because these critters eat algae in copious quantities. The food of commercial fish in Lake Erie is being consumed by these foreigners and it is likely that the economic value of the fisheries in Lake Erie will be halved as a consequence of the invasion of these mussels.

I do not want to give the impression that the emptying of ballast tanks in the Great Lakes has only led to zebra mussels. That is a serious enough problem. But there is also a little perch-like fish that will replace the perch, a fish of commercial value, in Lake Erie. Again they were introduced by the emptying of ballast tanks. What has been the response of the government that governs by example? There has been a refusal to impose any regulations or voluntary guidelines that we are told are 85 per cent effective.

Ninety-nine per cent adherence to those voluntary guidelines could still lead to the introduction of one critter into the Great Lakes of similar damaging characteristics and that would be all that is necessary. It must be clear to you as it is clear to any sensible person that there must be something more than guidelines. There must be stiff regulations to ensure that no other foreign critters can be introduced to the Great Lakes which will destroy the Great Lakes ecosystem.

In addition to this being the example of government by example, you should note that it is the IJC's role to ensure the quality of the Great Lakes. Of course we know, as many environmental groups have pointed out, our government has failed, as has the American government, to do its job.

The Americans are not standing still. Senator Glenn has introduced legislation to provide $40 million in research to help those municipalities that have to pick up the costs of the changes in the water intake systems which are going to be imposed upon them by government failure.

There should also be an intensive research program on Canada's part, jointly with the United States, to deal with this problem. We will never rid the lakes of zebra mussels but we can do some things to decrease and control their population.

Diving ducks such as the canvas back and others feed on these things. It may be that controls on the hunting of these birds would be helpful. There may be other techniques.

The point is that we have not got time for questions and answers or any similar games that the government imposes on the minister rather than action. We want action whether we are municipal taxpayers or commercial fishermen in the Great Lakes. We want action if it be only because we love the Great Lakes and the ecosystem in its balance, which presents so much beauty to us.

• (1540)

We do not want a government which, by example, does nothing. We do not want a government that talks about the necessary research to address the problem instead of

doing something about the problem. I have set out only example of the failure of this government and of the previous government. The people are getting tired of it.

In Windsor, where there is a particular environmental consciousness, we are sick to death of questions. We want answers.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am very pleased to make a few comments on the speech of my hon. colleague. I know that the government ministers sitting across the way were listening attentively to this speech. I am surprised that none of them rose at that moment in order to challenge our colleague. No minister rose just now in the House of Commons to challenge the speech of the member for Windsor—St. Clair.

The hon. member for Windsor—St. Clair represents a constituency on the St. Lawrence river system as I do in the riding that I represent. My riding is east-south-north, everything but west of the city of Cornwall.

He will know of course that there is a tremendous ecological problem there on the St. Lawrence River. We have in my constituency the Akwesasne Indian reserve or the St. Regis Indian reserve for those who still call it that way. There is a community of our aboriginal peoples living there and, apart from all their other problems, they have had to pay the cost, literally speaking, of some of the mismanagement of our ecology. When I say "our" I mean Europeans who came later, and I refer more particularly to the damage caused by some of the factories on the U.S. side of the St. Lawrence River.

There are three plants across from Cornwall Island, one of them being an aluminum plant, Alcoa. The others are Reynolds and General Foundry, which is a part of General Motors.

From one or more of these plants chemicals, dioxins and other such products have been leaching into the St. Lawrence River. From another plant emissions have been coming out of the smoke stacks and falling on the island, damaging the ecology to such an extent that the cattle on the island some years ago were so contaminated that their milk was no longer suitable for human consumption and neither was the meat. Imagine what that did to the citizens living there.

Does my colleague not think that the way in which we have negotiated with the United States, particularly over recent years, to try and encourage or force them to reduce some of that horrible emission is totally inappropriate or severely lacking in light of that kind of devastation that I have just described? I hope such devastation does not occur in my hon. colleague's riding as well. I hope no other Canadian has been subjected to what the Akwesasne people have been subjected to there.

In the event that he has problems of that kind does he not feel that our government is lacking and that we generally, as a society, have been extremely derelict when we allow this kind of thing to happen to some of our people?

Mr. McCurdy: Thank you, Mr. Speaker. When the hon. member said he was surprised that there are no ministers on the other side to challenge me, I thought he was going to take the government side for a moment. It looks as if there are no ministers on that side who would challenge. I suspect, with what we have left over there, there will be no rise unless the mussels wear turbans. But that is okay.

Some hon. members: Oh, oh!

Mr. McCurdy: Now, in answer to the question. Of course, I agree with what the hon. member says. I do not think that I could say it any more eloquently than he did. What he emphasized was the impact upon people as a result of failure to care for the ecosystem.

I could not help but think of what is one of the most potent television commercials that has ever been made. It is the one that shows an aboriginal person with a tear running down one cheek as he looks at the devastation brought to an environment, the care of which is such an inherent part of his religious culture.

I agree with the thesis that, yes, we have failed to negotiate appropriate cross-boundary pollution control agreements with the United States. That, of course, suggests that the fault lies exclusively with the United States. Down our way, my colleague from Essex—Windsor called attention to the gross pollution that was put into the Great Lakes from the chemical valley in Sarnia, demonstrating that on the Canadian side we are just as bad.

We should not distort the issue either by placing exclusive responsibility upon government because each one of us has become used to a lifestyle that does severe damage daily to the environment. No, I do not omit those considerations. Indeed, I hope that in the course of

this and subsequent debates on this document we will shed light on all of those areas of responsibilities that must be addressed.

I chose today, in the circumstances, to bring attention of the House to a particular example that shows how a little bad decision can lead to great catastrophe.

The Acting Speaker (Mr. Paproski): I recognize the hon. member for Glengarry—Prescott—Russell on a supplementary, and then the hon. member for Chambly.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I just want to make a very brief supplementary comment only to indicate to my colleague that the purpose of my intervention was not to shed blame exclusively on the governments of other countries, but indeed to highlight the fact that collectively, and individually, I suppose to a degree, we have all been negligent in that regard.

I was using that example to illustrate how in the case of Akwesasne the damage was indeed created by those factories on the U.S. side. I accept that there are likely regions of our country in which we have probably done similar things which have affected U.S. residents or Canadian citizens as well. The situation could very well have happened in reverse.

I want to stress again that this particular situation here is largely, if not totally, caused by factories which are only a few hundred feet away, but in another country in that particular case. It is just a comment I wanted to make.

The Acting Speaker (Mr. Paproski): Does the hon. member want a rebuttal on the comment?

Mr. McCurdy: Mr. Speaker, it occurred to me that because my hon. colleague from Essex County is sitting beside me, I wanted to reiterate that we are only a few hundred yards from Detroit. Detroit has a grossly inadequate sewage disposal system.

Just a few months ago they started dumping millions of gallons of untreated sewage into the Great Lakes. Yes, there needs to be a concerted effort along the Canadian-American border to have an arrangement that ensures that we respect one another's environment. This can only come through a coherent trans-boundary environmental control agreement that covers many areas, including air pollution, water pollution, the installation of nuclear plants and the like, because there are no limits that are drawn by any border or any boundaries.

• (1550)

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I was very impressed by the hon. member for Windsor—St-Clair and his grasp of the problem. I too have questions for the government about the Green Plan released yesterday by the Minister of the Environment, and my constituents are also anxious for more information.

I would like to ask a question about pesticides because I realize the hon. member for Windsor—St-Clair has a background in science, Mr. Speaker. According to an article published in le *Journal Vert*, it seems a very-well informed source in the *Union des producteurs agricoles*, who prefers to remain anonymous, has revealed that certain onion and apple producers use pesticides that are not approved by Ottawa. A representative of Agriculture Canada, Mr. Jacques Audet, seems to have said that although they were not able to prove it, there was every reason to believe, on the basis of field samples, that the unlawful use of non-approved pesticides was in some cases taking place on a large scale. So my question for the hon. member for Windsor—St-Clair is: Is he aware of the problem? And does he think the government has really dealt with the problem in its Green Plan?

[*English*]

The Acting Speaker (Mr. Paproski): I would hope that the hon. member for Windsor-St. Clair would reply very shortly, in a very succinct manner, please.

[*Translation*]

Mr. Howard McCurdy (Windsor—St-Clair): The answer, of course, is no, Mr. Speaker.

[*English*]

Mr. Gauthier: Mr. Speaker, as leader of the opposition in the House and as Whip, I want to thank the members of the House for allowing this debate to continue today. It is an important debate but, nevertheless, it is Friday and a lot of members would like to get home for the weekend. It is difficult sometimes for members to catch

planes. With the storm out there it may be difficult for some of us to get home.

Given the weather and other circumstances, Mr. Speaker, the Official Opposition would like to split the the following 20 minutes into two 10 minute periods where the member for Halifax will take the floor for us and the member for Nunatsiaq would also speak. After that we will fold our tent.

Mr. Riis: Mr. Speaker, I too am pleased to have the opportunity to participate in the debate this afternoon. I guess it was the encouragement of the government members earlier that we were anxious to get into the debate and encouraged us to suggest that perhaps we could extend the debate somewhat into the afternoon to allow those members who have remarks on this important issue to have ample time to complete those remarks.

We will support, certainly with enthusiasm, the suggestion of our hon. colleague. I think, however, that we would just as soon prefer to continue with the 20 and 10 format. We have a number of people who wish yet to speak and we have lots to say but, again, we have no hesitation to support the Official Opposition's request for tens and fives.

Mr. Hawkes: Mr. Speaker, we are certainly quite willing to support the Official Opposition in its position to split its time.

Ms. Mary Clancy (Halifax): Mr. Speaker, before I commence my remarks on this extremely important motion, I would just like to pay a compliment to our newest colleague in the House on his maiden speech, the hon. member for Chambly, although I warn him his last remarks were so long that I almost changed my mind about the compliment. However, I do offer it in good faith and good spirit.

This is a crucially important motion. It is a crucially important matter. This is possibly the most important matter facing Parliament and the people of Canada today as we enter into the last decade of the 20th century.

As most people know, I represent the city of Halifax in the Province of Nova Scotia. The Province of Nova Scotia is known and acknowledged far and wide across this country as one of the most beautiful places, not just in this beautiful country of Canada, but one of the most beautiful places on earth.

Our licence plates proclaim us as "Canada's Ocean Playground". We are almost an island. We are connected to the rest of Canada by the isthmus of Chignecto, a scant 12 miles wide, and we are surrounded almost completely by the waters of the Atlantic Ocean, the Bay of Fundy and the Northumberland Strait. We have within our province the beautiful Bradore Lakes, a number of rivers that once, and I say sadly, were teaming with Atlantic salmon, and the wonderful chains of lakes that make up part and parcel of the Kedgemakooge National Park in the southern part of our province.

When Europeans first came to the shores of Nova Scotia in the year 1603, they knew what a beautiful and magnificent country they had settled in. When the first Europeans, the French, came to Nova Scotia, followed soon after by Scots, Irish, English, Germans and many other nations, they settled in this province and they farmed, fished and did some logging.

In the northern part of the province they began the coal mines that go three, four, five and six miles out under the sea, and the steelworks. Even in those early days when they began the steelworks and the coal mines, they were concerned about the environmental reaction, about the way the land, the sky and the water would react to the industrial development in that most beautiful of provinces, Nova Scotia.

To a degree, we do not have so much to worry about from our own home-grown industry any more because the coal industry is almost dead and the steel industry in danger of dying. The beauties of Nova Scotia are imperilled on a daily basis and the change over the last few years has been frightening to those of us who live within this province.

My family has a house 30 miles outside the city of Halifax on the shores of St. Margaret's Bay, very close to one of the most famous landmarks in Nova Scotia, and I refer to Peggy's Cove. Those of you who have not been there, I invite you to come. But I invite you to come fairly quickly while its beauty is still evident to all.

I tell you that on the shores of St. Margaret's Bay, for years people from Halifax and the surrounding area and tourists who come to our province, have used the beaches, gone swimming, sailing, fishing and all the various recreational activities that can be done in Cana-

da's Ocean Playground. Those days are dying because of what is happening to those waters.

Last summer, on one of the few days when I had a chance to spend some time at this house, I came out early in the morning to look at the harbour in front of my house and I saw, washing up with the tide, milk cartons, garbage and the detritus of every day life in our over-packaged, garbage-choked society.

Our hon. colleague from Windsor—St. Clair talk about the ad with the aboriginal North American with the tear running down his face because of the damage to the environment. That is a very moving advertisement, I agree.

• (1600)

The one I was reminded of is one that is equally familiar to many Canadians. That was one for which a former CBC broadcaster, Stanley Burke, did the voice over. You saw the earth, garbage being poured on the earth, garbage being thrown at the earth, and I think the final visual was a cigar butt being put out on the side of the globe. I remember that ad from when I was a university student which, in spite of my youthful appearance, was not yesterday.

The knowledge that the protection of the environment has to be and must be the A-1 priority for government's world-wide is not new. It is not something that was born in the minds of politicians and governments yesterday. It certainly is not something born in the minds of only Canadians, but of people world-wide.

The environmental movement has been a moving force on our earth for many years. In the last couple of years many involved in the environmental movement began to feel a greater sense of accomplishment, purpose and enthusiasm because suddenly we realized that politicians, elected officials and governments recognized the fact that environmental questions were of major concern.

The framework of the government's discussion on the environment is a blow to the sense of light, purpose, accomplishment and hope. We do not need a framework for discussion. That is fine. It is all very well and good. It is printed on recycled paper, which we applaud. But, what we need is action. We do not need to discuss any longer. We know what the problems are. We know what we have to do. We know what is necessary to stop poisoning our lakes, rivers and oceans.

We know what is necessary to end acid rain. We know what is necessary to stop oil spills. We have the answers. Environmentalists have told us time and again that we also have the technology. What the framework for discussion on the environment manifests to all Canadians today is the lack of political will.

I see my colleague and my friend from Cumberland—Colchester has come into the House. I know he would agree with me because just two weeks ago I drove through his beautiful riding of Cumberland—Colchester with the wonderful rolling hills and waterways and the beautiful Bay of Fundy. But, the garbage is rolling up on the beaches in Cumberland county, just as it is rolling up on the beaches of Halifax county, just as it is rolling up on the beautiful beaches within the riding of the member for South Shore, the member for Halifax West and the member for Annapolis Valley—Hants.

The Conservative members from the province of Nova Scotia know what pollution, over-packaging, acid rain and oil spills are doing to what was once a pristine environment in the province of Nova Scotia. We were given this land to nurture us and to nurture our children. What we are doing by refusing to create the political will that will preserve this land is committing long-term suicide for ourselves and for future generations. When the planet is laid waste, if we do not take action now, today in 1990, there will be no one else to blame but the men and women who sat in the House today and proceeded to do nothing more than discuss.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I am pleased to follow my colleague, an outstanding spokesperson from the maritimes, who has expressed herself most eloquently on this question. I would like to know from her what kind of readjustment schedules will be necessary in her region as it move towards more sustainable growth in developing alternate uses of fuel, alternate methods of local and indigenous economic development.

How can it be possible when the government is cutting back on regional programs? How can it be possible and what kind of problems are going to be faced when this paper asks you to meet this challenge with talk, talk, talk and no action. I would like to hear from you, Madam Member, through the Chair, exactly how you are going

to deal with this when the government has a double standard. One, they talk, but two, no action.

Ms. Clancy: Mr. Speaker, I thank my colleague from Esquimalt—Juan de Fuca. I realize that in his own experience as a provincial premier he knows the difficulties in dealing with federal governments. One of the things I mentioned in my speech is that the former industrial strategies in the province of Nova Scotia had perhaps less than full environmental approval. I am referring of course to both the steel plants and the coal mines. That, as I said, is no longer a problem.

The ideas of alternate energy sources in Nova Scotia at the moment include coal. As the hon. member is aware, there are several coal mines running in the province. Unfortunately, they are running at a loss. The products from these coal mines are firing a number of electrical generating plants in the province of Nova Scotia, but sadly these plants have to be subsidized because there is no real plan for alternate fuel other than fossil fuel. There is no real commitment from either the provincial government in the province of Nova Scotia or from the federal government to assist hard-pressed, economically depressed provinces like Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

These are some of the most beautiful places on earth and we are throwing them away because there is no political will and there is no plan. Those before such as Nova Scotia's Ecology Action Centre have long and noble service in giving advice to government, which is virtually ignored. As the hon. member for Esquimalt—Juan de Fuca was saying, those people are ignored both by provincial governments and certainly by this federal government. We have various environmental strategies but nothing but deaf ears do they fall on, here with the Mulroney government and back home with the Buchanan government.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I would also like to compliment my hon. colleague for a most important discourse on this important subject of the environment. It also taught me a few new things about another part of the country with which I was not that familiar. But I would like to ask my hon. colleague a question dealing with how Canadians see the role of government which was touched upon throughout *The Green Paper*. I would like to begin my question by referring to a poll that was taken two years ago. They discovered that, if a company repeatedly pollutes at unsafe levels, over nine out of ten Canadians want corporate executives held personally and I emphasize that, personally responsible. Sixty three per cent favour fines but a whopping 19 per cent of Canadians say corporate executives should be jailed. I would like to ask my hon. colleague if she agrees with the assessment of two out of ten Canadians that corporate polluters who flout the regulations on a federal level or on a provincial level should go to jail?

• (1610)

Ms. Clancy: Mr. Speaker, I think the responsibility of board members of corporations should be more serious than merely a financial burden. With jail sentences we get into jurisdictional problems *vis-à-vis* criminal law and civil law. Should there be criminal sanctions for environmental infractions? I think the answer is most definitely yes. Whether it should be jail or not, I think would depend on the infraction and what happened exactly.

I think we should have a section of the Criminal Code relating to environmental crime. I think sanctions should not merely be in the form of fines against a corporation but the people who run the corporation should be held liable personally. I am not prepared to go as far as jail. We will have to see the individual situation.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I find myself a little puzzled by the contradiction that appears here. Perhaps the hon. member can help me out.

Ms. Clancy: With pleasure.

Mr. Casey: I am sure it will be. On issues such as the GST, VIA Rail and government cut-backs, the opposition insists on consultation with the people. It wants hearings across Canada. It wants the public to have its say.

The Green Plan does exactly that. It gives the people in my riding an opportunity to have a say in what can be done to address environmental problems in our area. There are 35 meetings scheduled and more may be added. I find it a contradiction that the GST is important enough to let people voice their opinions as is VIA Rail

cut-backs, but the environment is not important enough to let people have a say.

Some areas in my riding experience 40 per cent unemployment. If the government were to impose environmental regulations without consultation, there could be detrimental effects which hurt a lot of people.

Is the member in favour of hearings across Canada and why are they not as important as hearings on the GST and VIA?

Ms. Clancy: Mr. Speaker, first, in answer to the member for Cumberland—Colchester, the people of Canada have been telling governments for 20 years their opinions on the environment. Unfortunately, the people of Canada did not have an opportunity to tell the government their opinions on the GST because it was sprung on them a scant two years ago in embryo.

With regard to the environment not being important enough, that is not worthy of the member for Cumberland—Colchester. He knows we all feel the environment is important. I do not deny that. What I deny is the way they go about working it through.

This is similar to a suggestion that we hold more hearings on child care. Clean out your ears, gentlemen. The people of Canada have told you, and told you, and told you, what they want the government to do about child care. They have told you, and told you, and told you, what they want the government to do about the environment. They want it cleaned up. They want it cleaned up now, and they want it clean for their kids. They do not want a 7 per cent goods and services tax, but you brought that up, I did not.

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: member spoke in Inuktituk.*]

Mr. Speaker, as an aboriginal person, I would just like give some ideas of what the aboriginal peoples in the north have always maintained about themselves and the environment.

The concern for the environment has been around for years. All of a sudden it has become a buzz word in more recent days. The aboriginal people have always been concerned about the environment. We have always considered ourselves true environmentalists. We have posters that say: "Take care of the land because it takes care of you". We have always maintained that we are very much in touch with the environment and our surroundings.

Although environmentalists and the public have shown that they are willing to do something about the environment and are willing to suffer some inconveniences, the government has been slow to react. One good example is the Green Paper that just came out. As my hon. colleague from Halifax said earlier, people have been concerned about the environment for some years but nobody has been willing to do anything.

While we have been waiting for some policy directions from the government for over a year, all of a sudden we are told that it has to do a study and consult. It could have been consulting for the past year and we could have been a little further ahead. Over the past year, maybe the ozone layer has become bigger. It is getter bigger. Now is the time to do something about those kinds of things.

The aboriginal peoples have always shown that they care about the environment. They object to some developments that did not have proper environmental safeguards. I will give you some examples. One is James Bay. The Quebec government was prepared to go full steam ahead to build a dam and basically did not really care about the concerns of the Cree, Inuit and the environmentalists from around that area. We are going to get into the same problems that we are getting into now in James Bay. For example, take the people from the South Moresby and Temagami area and now the Innu people in Goose Bay.

In my own riding of Nunatsiaq, there is a proposal for a uranium mine. Last Monday the people of Baker Lake showed that they are overwhelmingly against the mine starting up in Baker Lake. The government has not taken a stand one way or the other as to whether it is willing to approve it or not. It has not decided whether it should give more money to those people that want to make presentations to the Federal Environmental Assessment Review organization. What the people of Baker Lake are saying is that they want the government to give them some funding so that they can adequately and ably argue or debate the issue of whether there should be uranium mine in Baker Lake. They are not being given that chance because they are being told that there are time and funding limits to the whole question of the proposed uranium mine.

I would also like to say that on *The Green Plan* the government says it wants to consult with the aboriginal people. It is good that it finally wants to do that. However, we have been waiting for that for years. We have been waiting for somebody to ask us what we think of the environment because we are intimately involved with the environment. They should have been asking us when they were debating the Oldman River Dam, the Rafferty-Alameda, James Bay and the proposed pulp mills in Alberta. We have just been waiting to be asked.

• (1620)

Another issue that I would like to touch on is the issue of the Inuit people and the environment. Some years ago, a French movie star started the whole thing. Brigitte Bardot, with the help of Greenpeace, destroyed a livelihood that the Newfoundland people had as well as the Inuit people in the north, without asking us, without asking us what we thought about whether there should be seal hunts in Newfoundland, never realizing that it was going to destroy two livelihoods—the Inuit and the Newfoundland people.

Again we could have given them some advice on how to go about dealing with the environment, but they did not choose to do that. Now, in retrospect, they say: "Well, we did not mean to destroy the Inuit way of life". Generous, very generous after the fact. So what do we say to people like the environmentalists? We have no problems with the environmentalists as long as we can work with them and the government is willing to listen to us. But to people like Greenpeace and others, what we would say to them is: "Don't call us we will call you".

Now the same thing is happening with the anti-fur movement. What really bothers me is that these people think they know best, either environmentalists or anti-fur movement, animal rights people. All these guys are saying is: "We do not want you to hunt; we do not want you to trap". The animal rights group think, I am sure, that steaks come from the supermarket. I mean that is how they think, that chickens come from the supermarket, that they do not need to be killed or plucked or skinned, and all that. It boggles the mind as to how insensitive, for lack of a better word, these people can be.

In terms of the anti-fur and animal rights group, what they do not realize is that we do not contribute to the damage to the environment. In getting the fur or the seal skin there is very little damage if any to the environment. However, I should say that those people who are animal rights groups should think about what they are wearing in terms of manufacturing, what it did to the environment in manufacturing their jacket, their shirt, whatever, their rayon, nylon, whatever. I think they should be thinking more along that line.

I would just like to touch on the contamination of food. In the north, which I have mentioned previously, the people of Broughton Island, a small community of about 450, are concerned about PCBs and other chemicals in their food chain. They have absolutely nothing to do with the contamination of that food chain. This food chain was through the polar bear or other animals. They got contaminated from the fall down of chemicals that do not know any international boundaries. PCBs do not know that they are not supposed to fall in Canada. They are not supposed to, but they do not know that. Meanwhile, more contamination is happening because there are not enough environmental programs being instituted in various governments, whether it is the federal government or other governments.

I would like to touch on the tanker traffic proposals in the north. When they are talking about the environment in the north, people have to realize it is a very fragile ecological system. We call it Nunatsiaq, the good land. However, Mr. Speaker, if I were to describe Nunatsiaq to you, I would say the beautiful land. I say the good land because it gives us life. That is the difference in how we see the land. We use it and call it the good land.

It is always an honour to address the people here about various issues. I am glad that I had this opportunity to say a few things about the environment.

Ms. Mary Clancy (Halifax): Mr. Speaker, I want to compliment my colleague from Nunatsiaq on his remarks. In particular, I want to raise the fact that last summer, when our colleague hosted our caucus in his riding on Baffin Island, we were told about some other environmental dangers up there such as the dumping of leftover machinery belonging to American military personnel. I am wondering if he would like to make any comments about that this afternoon.

Mr. Anawak: Mr. Speaker, I thank the hon. member for her question.

We have had promises from the Department of Indian Affairs and Northern Development. I must admit that I am not sure which minister made a statement about those abandoned Distant Early Warning sites, but the minister said that they would be cleaned up. I do not want to give credit to the wrong minister. It was either the Minister of the Environment or the Minister of Indian Affairs and Northern Development who said: "We will clean these sites up until only our footprints are left". I am waiting to see that happen. So far nothing has happened in that regard. Unfortunately there has been a change of ministers in one department so we will wait.

I would like to carry on a little further concerning the issue of how environmentally cautious we are in the north. The Inuit Circumpolar Conference, which is the international arm of the Inuit, received a Global 500 Award from the United Nations Environmental Program for: "Outstanding achievements, protection and improvement of the environment".

The work of the Inuit Circumpolar Conference was cited as an example of the world conservation strategy in action. I would hope that measures are taken to clean up the sites that my hon. colleague mentioned, and that they will be taken soon. This will give us our beautiful land back to its natural state, once it has been used as a Distant Early Warning site or by any other group.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I must say that I am delighted to have an opportunity this afternoon to speak to this motion. It has been some time since we read the motion. Perhaps it would be worth while to take a moment or two to read what the motion is all about. It states:

> That this House condemn the government for its lack of sincere commitment to the environment and for its vacuous discussion paper which completely fails to offer the—

Mr. Hawkes: I rise on a point of order, Mr. Speaker. I do not believe I see a quorum.

The Acting Speaker (Mr. Paproski): I do not either. Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Paproski): I will ask the Deputy Clerk to count the members present.

And there being only 13 members present including the Acting Speaker, the names were taken down and the House adjourned at 4.45 p.m.